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Tracey Giles
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(501) 748-5001

February 26, 2019

Ms. Sandy Reams Kansas Corporation Commission 1500 SW Arrowhead Road Topeka, KS 66604-4027

Re: KS USF Traffic Study Factor

Docket No.: 19-GIMT-056-GIT

Dear Ms. Sandy Reams:

Enclosed for filing please find McLeodUSA Telecommunications Services, LLC, Windstream Norlight LLC, Windstream NTI, LLC, Windstream NuVox Kansas, LLC, and Paetec Communications, LLC, EarthLink Business, LLC, Business Telecom, LLC, CTC Communications Corp., DeltaCom, LLC, and MASSCOMM Inc. (collectively "Windstream") Non-Confidential Request for Approval of Use of Traffic Studies for Kansas Universal Service Fund Reporting and an affidavit of Tim Loken.

Please let me know if you have any questions.

Sincerely,

Tracey Giles

Sr Analyst - Regulatory Compliance

## BEFORE THE STATE COPORATION COMMISSION OF THE STATE OF KANSAS

In the Matter of an Investigation to		
Determine the Assessment Rate and the	)	
Affordable Local Service Rates for Rate-	)	
of-Return Regulated Carriers for the	)	Docket No. 19-GIMT-056-GIT
Twenty-Third Year of the Kansas	)	
Universal Service Fund, Effective March	)	
1 2019		

# REQUEST FOR APPROVAL OF USE OF TRAFFIC STUDIES FOR KANSAS UNIVERSAL SERVICE FUND REPORTING

COMES NOW McLeodUSA Telecommunications Services, LLC, Windstream Norlight, LLC, Windstream NTI, LLC, Windstream NuVox Kansas, LLC, Paetec Communications, LLC, EarthLink Business, LLC, Business Telecom, LLC, CTC Communications Corp., DeltaCom, LLC, and MASSCOMM Inc. (collectively "Windstream") and requests permission for Windstream to use the inverse percentage derived by Windstream's traffic study for its federal universal service fund filings to determine the intrastate revenues for its Kansas Universal Service Fund ("KUSF") assessment. In support, Windstream provides the following:

1. Pursuant to K.S.A. 66-2008(a), the State Corporation Commission of the State of Kansas ("Commission") requires "every telecommunications carrier, telecommunications public utility and wireless telecommunications service provider that provides intrastate telecommunications services and, to the extent not prohibited by federal law, every provider of interconnected VoIP service, as defined by 47 C.F.R. 9.1 (October 1, 2005), to contribute to the KUSF on an equitable and nondiscriminatory basis." On December 27, 1996, in Docket No. 94-GIMT-478-GIT, the Commission declared that the contribution would be a yearly assessment on each provider's intrastate retail revenues.

- 2. Pursuant to the January 24, 2012, Order in Docket No. 12-GIMT-168-GIT, Wireless Carriers and interconnected voice over internet protocol (VoIP) providers have three options for identifying their Kansas intrastate retail revenues. First, a provider may utilize the Federal Communications Commission's ("FCC's") Safe Harbor percentages to allocate intrastate and interstate Kansas revenues. If a Wireless Carrier or VoIP provider utilizes the Safe Harbor percentages, no filings are necessary. Second, a Wireless Carrier or VoIP provider may utilize a traffic study to determine revenue allocations between jurisdictions. If the Wireless Carrier or VoIP provider uses the traffic study methodology, it must provide the jurisdictional percentages ("traffic factors") to the Commission at least annually in the annual KUSF docket, and identify the specific timeframes for which the traffic factors apply. Third, a Wireless Carrier or VoIP provider may directly assign revenue between jurisdictions. If the Wireless Carrier or VoIP provider uses the direct assignment methodology, it does not need to provide the jurisdictional percentages, but it must inform the Commission at least annually, in the annual KUSF docket, whether it continues to use such methodology. Additionally, if the Wireless Carrier or VoIP provider uses either the traffic study or direct assignment methodologies, it must provide an affidavit from an officer of the company attesting that it uses the inverse of the intrastate, KUSF revenue percentages for interstate, Federal Universal Service Fund ("FUSF") remittance purposes.
- 3. Pursuant to FCC requirements for the use of a traffic study in determining interstate retail revenues, Windstream provided notice to USAC of its intent to utilize a traffic study for VoIP services on October 26, 2018, for the January 1 through December 31, 2019 period. See

<sup>1</sup> See Report and Order and Notice of Proposed Rulemaking, 21 FCC Rcd. 7518, ¶65 (June 27, 2006)

Exhibit "A" attached hereto. The traffic study was performed on actual traffic data provided by

Windstream.

4. Based upon the results of the traffic study Windstream filed with the FCC, 41.4% of

Windstream's VoIP revenues are deemed interstate. Accordingly, Windstream requests that the

Commission allow it to use the inverse factor, 58.6%, to determine its intrastate VoIP revenues.

Windstream will update the traffic studies on an annual basis and will notify the Commission as

required.

5. In addition, Windstream completed an engineering study related to the Transmission

of Telecom and non-Telecom information services for the collective "Windstream" entities

shown above. Based on the results of this traffic study, the revenue assignment of some

transmission services changed between state telecommunication services, interstate

telecommunication services, and non-telecommunication services where 30% is deemed

Telecom and the associated VoIP rules would then apply.

WHEREFORE, Windstream respectfully requests the Commission approve its company-

specific traffic study and its use of the inverse of the federal percentage derived from that study

for KUSF reporting purposes.

Respectfully submitted,

Tim Loken

**Director Regulatory Reporting** 

Windstream

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Tim.P.Loken@windstream.com

#### EXHIBIT A



### 4001 Rodney Parham Drive • Little Rock, Arkansas 72212 (501) 748-7000

Tim Loken, Director Regulatory Reporting Tim.p.loken@windstream.com (501) 748-7442 (work)

October 26, 2018

Data Collection Agent c/o Universal Service Administrative Company 700 12th Street, NW, Suite 900 Washington, DC 20005 Sent via email to: form499@usac.org

Re: Traffic Studies

Dear Sir,

The purpose of this letter is to notify you that the VoIP study factor will change effective January 1, 2019 for the Windstream entities listed below (collectively "Windstream").

Windstream Entity	499 Filer ID
NuVox, Inc.	825434
Windstream NTI, Inc.	802014
Windstream Norlight, Inc.	802491
US LEC Corp - CONSOLIDATED	823964
Paetec Communications, Inc.	818024
McLeodUSA Telecommunications Services, Inc.	809572
US LEC iTel, L.L.C.	825929
MASScomm, Inc.	826999
EarthLink Business, LLC	820304
American Telephone Company, LLC	826190

Call record detail information was analyzed to ascertain the breakout of intrastate vs. interstate usage as indicated in the table below. The interstate VoIP factor will be 41.4%.

	W	indstream VoIP St	udy	
	Study Time:	frame - June, July,	August 2018	1.2
	Interstate Calls	Intrastate Calls	Total Calis	Interstate Call %
June	32,525,875	47,574,111	80,099,986	40.6%
July	32,914,931	45,150,776	78,065,707	42.2%
August	34,945,295	49,396,655	84,341,950	41.4%
<b>Grand Total</b>	100,386,101	142,121,542	242,507,643	41.4%

In addition to the VoIP Study, the Multi Toll Factor Study is also effective January 1, 2019. Call record detail information was once again analyzed to determine the breakout of intrastate vs. interstate toll usage as indicated in the table below. The interstate factor will be 43.4% for the entities listed on page 1.

	Windstr	eam Multi Toll Fa	actor Study	
Study Timeframe - June, July, August 2018				
	Interstate Calls	Intrastate Calls	Total Calls	Interstate Call %
June	1,009,347	1,279,459	2,288,806	44.1%
July	946,950	1,270,135	2,217,085	42.7%
August	1,012,927	1,320,911	2,333,838	43.4%
<b>Grand Total</b>	2,969,224	3,870,505	6,839,729	43.4%
** Local calls	not included in th	ne calculation		

Finally, Windstream completed an engineering study related to the Transmission of Telecom and non-Telecom information services which is effective October 1, 2018 for the entities listed on page 1. Based on the results of this traffic study, the revenue assignment of some transmission services changed between state telecommunications services, interstate telecommunication services and non-telecommunication services.

The schedule below is a summary of the engineering study findings which reflect that 70% of the usage is associated with internet services and the remaining 30% is attributed to telecom services.

Customers that subscribe to specific products (internet only, voice only, private line only) will not utilize the engineering study findings for the access portion of their services but will continue to be assessed based on either the individual services being provided or a private line jurisdictional traffic certification.

Windstream Port / Loop Study

Provider Edge Router Analysis: Total MegaBytes for July and August 2018

Billing Systems	Internet MB's	VPN MB's	Internet %	Total PE Routers	Total Interfaces	Customer Interfaces
DC400 / Saville	117,332,863,554	18,654,452,692	86%	204	183,811	2
RevChain	735,073,144,523	307,029,241,844	71%	830	507,828	354,977
Grand Total	852,406,008,077	325,683,694,536	72%	1,034	691,639	354,979

<sup>\*</sup> Rounded to the nearest 10%

70%

Note: The DC400 and Saville billing systems will be merging into RevChain in 2019.

Windstream will continue to update the traffic study on an annual basis.

Please contact me with questions.

Regards,

Tim Loken, Director Regulatory Reporting

Windstream

#### **AFFIDAVIT**

STATE OF ARKANSAS )
COUNTY OF PULASKI )
BEFORE ME, the undersigned person, Tim P. Loken, appeared who deposed and said:
<ol> <li>My name is Tim P. Loken. I am Director of Regulatory Reporting for McLeodUSA Telecommunications Services, LLC, Windstream Norlight, LLC, Windstream NTI, LLC, Windstream NuVox Kansas, LLC, Paetec Communications, LLC, EarthLink Business, LLC, Business Telecom, LLC, CTC Communications Corp., DeltaCom, LLC, and MASSCOMM Inc. (collectively "Windstream").</li> </ol>
<ol> <li>I am an officer of Windstream and am authorized to give this Affidavit on behalf of Windstream. I am knowledgeable of the methods and procedures used by Windstream to determine assessable revenues for the Kansas Universal Service Fund and Federal Universal Service Fund.</li> </ol>
Tim P. Loken
Director Regulatory Reporting
Sworn before me this, 27 <sup>th</sup> day of February, 2019, by Tim P. Loken, as Director Regulatory
Reporting who is personally known to me or produced identification and who did take an oath.
3200
NOTARY PUBLIC
Printed Name of Notary  My Commission Expires:  10/18/27  My Commission Expires:
My Commission Expires: 10/18/27