



GVNW CONSULTING, INC.

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April 6, 2018

Ms. Lynn M. Retz
Secretary to the Commission
Kansas Corporation Commission
1500 SW Arrowhead Road
Topeka, KS 66604-4027

RE: Docket No. 18-USIC-044-KSF
*In the Matter of the Audit of U.S. South Communications, Inc. by the Kansas
Universal Service Fund (KUSF) Administrator Pursuant to K.S.A 2015 Supp. 66-
2010(b) for KUSF Operating Year 20, Fiscal Year March 2016-February 2017*

Dear Ms. Retz:

In its August 1, 2017 order the Kansas Corporation Commission (KCC) directed GVNW to perform a KUSF carrier audit of the U.S. South Communications, Inc. (US South or Company) 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 US South's customers, if applicable, are appropriate and accurate.

The KCC directed GVNW to file two versions of the audit report with the KCC; one version containing confidential information and one version with the confidential data redacted for public disclosure. US South's audit does not require a separate confidential report; therefore, only the enclosed public audit report for US South is being filed.

Copies of the supporting documentation, including GVNW's audit work papers and information provided by the company, are not included with the audit report, but are available from GVNW upon request.

Sincerely,

A handwritten signature in black ink that reads "Blake Young".

Blake R. Young
Consultant

cc w/encl: Sandy Reams

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

In the Matter of the Audit of US South)	
Communications, Inc. by the Kansas)	
Universal Service Fund (KUSF) Administrator)	Docket No. 18-USIC-044-KSF
Pursuant to K.S.A. 2016 Supp. 66-2010(b) for)	
KUSF Operating Year 20, Fiscal Year March)	
2016-February 2017)	

KANSAS UNIVERSAL SERVICE FUND AUDIT REPORT

Prepared By: Blake Young, GVNW Consulting, Inc.

Date of On-Site Visit: Desk Audit

Company Representative: Robin Madley - Director Network Services Finance

Date Submitted To Company: March 22, 2018

Executive Audit Summary

Consistent with the Kansas Universal Service Fund (KUSF) Carrier Review Procedures for Operating Year 20,¹ GVNW Consulting, Inc. (GVNW) has completed its review of US South Communications, Inc. (US South).

GVNW's audit, supported by an affidavit from an officer of the Company, indicates US South has not generated any intrastate retail revenues that are subject to the KUSF reporting requirements. US South should be directed to continue to remit its Annual Company Identification and Operations Form, referred to as Attachment B, to the KUSF and report intrastate retail revenue to the KUSF Administrator at any point in time that it does generate Kansas intrastate retail revenues that are subject to the KUSF. Therefore, GVNW recommends that the Docket be closed.

Background

US South is a certified Interexchange Carrier (IXC) headquartered in Atlanta, Georgia. The Company states it is not generating any Kansas intrastate retail revenue subject to the KUSF; therefore, it is not required to report revenue and pay assessments to the KUSF until such time as revenue is generated.² The KUSF Administrator's records show that the Company has not reported Kansas retail intrastate revenues to the KUSF since Operating Year 19.³

¹ Order Accepting GVNW's KUSF Year 20 Audit Selections, Proposed Revisions to Selection Criteria and Audit Procedures, Docket No. 16-GIMT-067-GIT, July 25, 2017 (16-067 Order).

² Order Setting the Kansas Universal Service Fund Assessment Rate for Year Ten and Establishing Reporting Requirements, Docket No. 06-GIMT-332-GIT, January 23, 2006 (06-332 Order).

³ The latest revenue submission was confirmed with the Fund Administrator on March 19, 2018.

Audit Findings

GVNW performed its audit consistent with the Kansas Corporation Commission's (KCC or Commission) KUSF audit procedures. Whenever a Company reports that it has not generated any intrastate retail revenues subject to the KUSF, an officer of the Company is to remit an affidavit to that fact. GVNW requested, and the Company provided, a notarized affidavit, included as Attachment A to this report. The affidavit states that US South does not have any Kansas intrastate retail revenues subject to the KUSF for the audit period and through present 2018.

GVNW also reviewed the Company's revenue reporting records as a further test of US South's representation that it had not generated any Kansas intrastate retail revenues. No discrepancies were noted.

US South has remitted the required Attachment B for Operating Years 19 (March 2015-February 2016), 20, and 21 (March 2017 - February 2018) to the KUSF Administrator. Attachment B for Operating Year 21 indicates that the Company is not generating Kansas intrastate retail revenue.

A search of the Kansas Secretary of State's Corporate Annual Reports (Annual Report) indicates that the Company is incorporated in the state of Colorado and is properly registered with the Kansas Secretary of State as a "Foreign Limited Liability" company and is currently listed as "active and in good standing."³

The Federal Communications Commission's (FCC) Form 499-A Database⁴ specifies that the Company is Toll Reseller Kansas and provides service in a total of 56 states and territories.

US South is required to continue to file an Annual Attachment B as long as it holds a Certificate to Operate in Kansas. GVNW recommends that US South be directed to report to the KUSF Administrator, at any point in time, that it generates intrastate retail revenues that are subject to the KUSF reporting requirements. GVNW further recommends that this Docket be closed.

³ <https://www.kansas.gov/bess/flow/main?execution=e1s5> last viewed on March 19, 2018.

⁴ <http://apps.fcc.gov/cgb/form499/499detail.cfm?FilerNum=811748>, last viewed on March 20, 2018.

BEFORE THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

Attachment A
Docket No. 18-USIC-044-KSF
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In the Matter of the Audit of US South)
Communications Inc. by the Kansas)
Universal Service Fund (KUSF))
Administrator Pursuant to K.S.A. 2016)
Supp. 66-210(b) for Kansas Operating)
Year 20, Fiscal Year March 2016 -)
February 2017.)

Docket No. 18-USIC-044-KSF

Declaration of US South Communications, Inc
(Name)

I am President (Position) of US South Communications Corp., ("US South") and authorized to provide this affidavit on its behalf, and the facts set forth herein are true and correct to the best of my knowledge.

1. US South is a provider of interexchange long distance toll telephone services in the state of Kansas.
2. US South does not have any intrastate telecommunications customers with a primary service or billing address in the state of Kansas.
3. US South certifies that it did not generate any Kansas intrastate retail telecommunications revenues to include local exchange, intrastate switched access toll or VoIP services for the periods March 1, 2016 through February 28, 2017; and March 1, 2017 to present; from telecommunications services subject to the Kansas Universal Service Fund contribution requirements.
4. US South shall report all revenues and pay any assessments to the Kansas Universal Service Fund, should the Company generate intrastate retail revenues subject to the KUSF rules.



Name: Daniel Anderson

Date: 3/12/2018



Subscribed and sworn to before me this 12 day of March, 2018

My Commission expires: 3-13-20


Notary Michelle Richardson

CERTIFICATE OF SERVICE

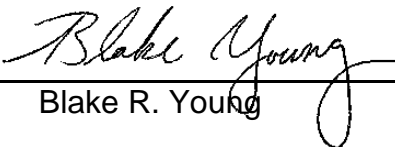
I hereby certify that on this 6th day of April 2018, the above Kansas Universal Service Fund Audit Report was e-filed with the Kansas Corporation Commission and a copy was sent via electronic mail and/or U.S. Mail to:

Kansas Corporation Commission
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M Brooks Smith, CEO/CFO
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250 Williams Street
Suite M-100
Atlanta, GA 30303-1032



Blake R. Young