

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

Before Commissioners: Andrew J. French, Chairperson
 Dwight D. Keen
 Annie Kuether

In the Matter of a General Investigation of)
CoreTel Kansas, Inc. to Show Cause Why This)
Commission Should Not Levy Sanctions,) Docket No. 25-CTKT-079-SHO
Penalties, and Fines or Cancel, Suspend, or)
Revoke Any Authority the Carrier Holds for)
Non-Compliance with Kansas Statutes and)
Commission Orders.)

ORDER REVOKING CERTIFICATE

The above-captioned matter comes before the State Corporation Commission of the State of Kansas (“Commission”) for consideration and determination. Having examined its files and records, the Commission finds and concludes:

1. The Commission has broad supervisory authority over all telecommunications public utilities in the state of Kansas and has a duty to inquire into any violation of law by a telecommunications public utility and its officers, agents and employees.¹
2. The Commission derives its authority and jurisdiction to supervise and control telecommunications public utilities from K.S.A. 66-1,188 and K.S.A. 66-2005(z). The Commission derives its authority to certificate and de-certificate public utilities from K.S.A. 66-131.

¹ K.S.A. 66-1,195.

3. On February 23, 2009, CoreTel Kansas, Inc. (CoreTel) was granted a Certificate of Convenience and Authority (COC) to provide Interexchange Carrier (IXC) and local exchange and exchange access (CLEC) telecommunications services within the state of Kansas.²

4. On March 14, 2012, the Commission issued an order directing CoreTel to show cause as to why its COC should not be revoked for its forfeiture status with the Kansas Secretary of State and delinquency with Commission assessments.³ On April 20, 2012, the Commission dismissed the show cause proceeding and closed the docket as the company came into compliance.⁴

5. On August 21, 2024, Commission Staff filed a Report and Recommendation (R&R) in the instant docket in which Staff detailed CoreTel's delinquencies in maintaining its statutory and regulatory obligations in Kansas.⁵ Staff advised the Commission to open a proceeding for the purpose of directing CoreTel to show cause why it should not be subject to sanctions, penalties and/or fines, and why its COCs to provide IXC and CLEC services in Kansas should not be suspended, canceled or revoked for failure to comply with its statutory and regulatory obligations.

6. On October 1, 2024, the Commission issued an Order adopting Staff's findings and initiating a show cause proceeding into CoreTel. The Commission ordered CoreTel to respond within thirty (30) days to the allegations of Staff regarding filing and payment delinquencies related to the Kansas Universal Service Fund (KUSF).⁶

7. Staff submitted a second R&R to the Commissioners dated November 21, 2024, which is attached and incorporated by reference herein. Pursuant to its R&R, Staff informed the

² Order Granting Certificate, p. 3, Docket No. 09-CTKT-242-COC (Feb. 23, 2009); Order Granting Certificate, p. 3, Docket No. 09-CTKT-241-COC (Feb. 23, 2009).

³ Order to Show Cause, p. 2, Docket No. 12-CTKT-669-SHO (Mar. 14, 2012).

⁴ Order to Dismiss Show Cause and Close Docket, Docket No. 12-CTKT-669-SHO (Apr. 20, 2012).

⁵ Staff's Notice of Filing of Report and Recommendation (Aug. 12, 2024).

⁶ Order to Show Cause, p. 4 (Oct. 1, 2024).

Commission that CoreTel has failed to respond to the Commission's Order. Since the issuance of the Commission's October 1, 2024, Order to Show Cause, CoreTel has failed to come into compliance with its KUSF obligations. Specifically, CoreTel remains delinquent in the following obligations:

- (1) its failure to submit the 2023 Annual Interrogatory (AI) Report to the Commission;
- (2) its non-compliance with assessment payments to Vantage Point Solutions (VPS), the Kansas Universal Service Fund (KUSF) Administrator; and
- (3) its outdated contact information.

8. Based on the foregoing, Staff recommends that the Commission issue an Order to revoke CoreTel's Certificate of Convenience and Authority to provide IXC and CLEC services in Kansas.

9. Regarding CoreTel's reporting obligations to the KUSF, Staff recommends that the Commission authorize VPS to remove the company's name from its active KUSF files. It is possible that some monies might be retained in the KUSF, or attempts made to return the monies to CoreTel. Therefore, Staff requests the Commission also direct VPS to maintain its records in such a manner that in the event any monies due to the KUSF are ever paid, the files can reflect receipt of these monies paid.

10. The Commission finds CoreTel has had ample time to comply with the August 6, 2024, Order to Show Cause and has failed to do so. The Commission finds Staff's recommendations above to be reasonable in light of CoreTel's failures to comply with state and regulatory obligations and to respond to the Commission's Show Cause Order, and hereby adopts the same. The Commission concludes CoreTel's Certificate of Convenience and Authority to provide IXC and CLEC services in Kansas should be revoked.

IT IS, THEREFORE, BY THE COMMISSION ORDERED THAT:

A. CoreTel Kansas, Inc.'s Certificate of Convenience and Authority to provide IXC and CLEC service in Kansas is hereby revoked.


B. Vantage Point Solutions is directed to remove CoreTel's name from its active KUSF files. In the event some monies are be retained in the KUSF, or attempts made to return the monies to the carrier the Commission directs VPS to maintain its records in such a manner that if any monies due to the KUSF are ever paid, the files can reflect receipt of these monies paid.

C. Any party may file and serve a petition for reconsideration pursuant to the requirements and time limits established by K.S.A. 77-529(a)(1).⁷

BY THE COMMISSION IT IS SO ORDERED.

French, Chairperson; Keen, Commissioner; Kuether, Commissioner

Dated: 12/12/2024



Lynn M. Retz
Executive Director

CRM

⁷ K.S.A. 66-118b; K.S.A. 77-503(c); K.S.A. 77-531(b).

**REPORT AND RECOMMENDATION
UTILITIES DIVISION**

TO: Andrew J. French, Chairperson
Dwight D. Keen, Commissioner
Annie Kuether, Commissioner

FROM: Jorge Soto-Gomez, Telecommunications Analyst
Drennan Dolsky, Telecommunications Analyst
Steve Garrett, Deputy Chief of Telecommunications
Jeff McClanahan, Director of Utilities

DATE: November 21, 2024

RE: Docket No. 25-CTKT-079-SHO

In the Matter of a General Investigation of CoreTel Kansas, Inc. to Show Cause Why This Commission Should Not Levy Sanctions, Penalties, and Fines or Cancel, Suspend, or Revoke Any Authority the Carrier Holds for Non-Compliance with Kansas Statutes and Commission Orders.

EXECUTIVE SUMMARY

On October 1, 2024, the Kansas Corporation Commission (Commission) issued an Order to Show Cause CoreTel Kansas, Inc. (CoreTel). CoreTel holds both a Certificate of Convenience and Authority (COC) as an Interexchange Carrier (IXC) and as a Competitive Local Exchange Carrier (CLEC). CoreTel did not respond to the Order or Commission Staff (Staff).

BACKGROUND

The Commission derives its authority and jurisdiction to supervise and control telecommunications public utilities from K.S.A. 66-1,188 and K.S.A. 66-2005(z). The Commission derives its authority to certificate and de-certificate public utilities from K.S.A. 66-131.

On February 23, 2009, CoreTel was granted a COC to provide IXC telecommunication services within the state of Kansas in Docket No. 09-CTKT-242-COC.

Concurrently on February 23, 2009, CoreTel was granted a COC to provide local exchange and exchange access services (“CLEC”) in Docket No. 09-CTKT-241-COC. The territory is limited to the legacy service areas of Southwestern Bell Telephone Company, LLC d/b/a AT&T Kansas and

Brightspeed Companies of Kansas (Brightspeed).¹

On March 14, 2012, the Commission show caused CoreTel on why its COC should not be revoked for its forfeiture status with the Kansas Secretary of State and delinquency with Commission assessments in docket 12-CTKT-669-SHO. On April 20, 2012, the Commission dismissed the show cause and closed the docket as the company came into compliance.

On August 24, 2024, Staff submitted to the Commission a Report and Recommendation (R&R). The R&R sets forth an investigation of CoreTel and enumerates filing delinquencies, including: (1) its failure to file the 2023 Annual Interrogatory (AI) Report to the Commission; (2) its non-compliance with the reporting obligations to Vantage Point Solutions (VPS), the Kansas Universal Service Fund (KUSF) Administrator; and (3) its outdated contact information with the Commission. Based on its review, Staff advised the Commission to open a proceeding for the purpose of directing CoreTel to show cause why it should not be subject to sanctions, penalties and/or fines, and why its COCs to provide IXC and CLEC services in Kansas should not be suspended, canceled or revoked for failure to comply with its statutory and regulatory obligations.

On October 1, 2024, the Commission issued an Order adopting Staff's findings and initiating a Show Cause proceeding into CoreTel.

K.S.A. 66-123 states "annual reports shall be filed on or before May 1 for the preceding calendar year unless otherwise specified by Commission Order or rule and regulation." Public utilities that fail to comply with this statute "shall be subject to a civil penalty of not more than \$500."

K.S.A. 66-138(a)(2) provides the Commission with authority to levy fines and penalties against a telecommunications carrier for violating statutes under which the Commission has a duty to act, refusing to comply or obey any lawful Commission requirement and failing to abide by any Commission order. A sum not less than \$100 and no more than \$5,000 may be assessed against a violator for each offense.

ANALYSIS

This R&R is an update to inform the Commission that CoreTel did not respond to the Show Cause Order dated October 1, 2024, within the 30-day period. The period ended on October 31, 2024. As of the date of this R&R, there has been about seven months from April to November that CoreTel has been out of compliance. Starting with the March 2024-February 2025 KUSF Fiscal Year 28, CoreTel failed to file the Company Identification and Operations form ("Attachment B" form) that was due to VPS on April 15, 2024.² Staff also attempted to communicate with CoreTel regarding its missing AI Report that was due May 1, 2024. The letter to CoreTel mailed on June 18, 2024, through the United States Postal Service, was returned to the Commission with the message "Return to Sender." Since CoreTel is both a CLEC and IXC, the company was required to file its 2023 AI Report.

Staff also believes CoreTel may not have any customers because, according to Commission and

¹ At the time the COC was granted, the service areas were known as AT&T and Embarq as referenced in the February 23, 2009, Order.

² Staff's Notice of Filing of Report and Recommendation, p. .

VPS records, CoreTel has not generated any revenue since it came into existence in the year 2009.³ Based on the lack of revenue, Staff questions whether CoreTel ceased operations without notifying the proper Kansas entities.

CoreTel has had ample time to comply. As noted in the previous R&R, the Commission made numerous attempts in notifying the company. Staff respectfully requests that CoreTel's CLEC and IXC certificates be revoked for failure to take any action to respond to the Show Cause Order.

RECOMMENDATION

Staff recommends the Commission revoke CoreTel's COCs for CLEC and IXC services for failure, neglect, or refusal to respond to the Show Cause Order and Kansas legal obligations.

Regarding CoreTel's reporting obligations to the KUSF, Staff recommends that the Commission should authorize VPS to remove the company's name from its active KUSF files. It is possible that some monies might be retained in the KUSF, or attempts made to return the monies to the carrier. Therefore, the Commission should also direct VPS to maintain its records in such a manner that in the event any monies due to the KUSF are ever paid, the files can reflect receipt of these monies paid.

³ *Id*

CERTIFICATE OF SERVICE

25-CTKT-079-SHO

I, the undersigned, certify that a true copy of the attached Order has been served to the following by means of electronic service on 12/12/2024.

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/S/ KCC Docket Room

KCC Docket Room