

THE STATE CORPORATION COMMISSION  
OF THE STATE OF KANSAS

Before Commissioners:                      Shari Feist Albrecht, Chair  
   Jay Scott Emler  
   Dwight D. Keen

In the Matter of An Investigation to Determine    )  
the Assessment Rate and the Affordable Local    )  
Service Rate for Rate-of-Return Regulated    )        Docket No. 17-GIMT-008-GIT  
Carriers for the Twenty-First Year of the    )  
Kansas Universal Service Fund, Effective    )  
March 1, 2017.    )

**ORDER APPROVING TRAFFIC FACTORS FOR READY WIRELESS, LLC**

The above-captioned matter comes before the State Corporation Commission of the State of Kansas (Commission) for consideration and decision. Having reviewed its files and records and being duly advised in the premises, the Commission makes the following findings:

1. Pursuant to K.S.A. 66-2008(a), the 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. 9.3 to contribute to the [Kansas Universal Service Fund (“KUSF”)] based upon the provider’s intrastate telecommunications services net retail revenues 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 Commission’s Order of January 24, 2012, and Amended Order of February 1, 2012, 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) Safe Harbor percentages to allocate intrastate and interstate Kansas revenues.<sup>1</sup> If a wireless carrier or VoIP provider utilizes the Safe Harbor percentages, no filings regarding the methodology 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 file to request to use the methodology for KUSF purposes and provide the jurisdictional percentages (also known as "traffic factors") to the Commission, at least annually in the annual KUSF docket, and identify the specific timeframes for which the traffic factors apply. This filing requirement applies even if the traffic factors did not change from the prior year. Third, a wireless carrier or VoIP provider may directly assign revenue between jurisdictions.<sup>2</sup> If the wireless carrier or VoIP provider uses the direct assignment methodology, it does not need to provide the jurisdictional percentages, but it must request approval to use the methodology and 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. Such affidavit should accompany the filings referenced above.

3. On October 12, 2018, Ready Wireless, LLC (Ready) made a filing which amended its March 21, 2018 filing which provided its traffic study factors for 2017 and 2018. The October

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<sup>1</sup>See Report and Order and Notice of Proposed Rulemaking, 21 FCC Rcd. 7518 ¶65 (June 27, 2006); *See also* Petition of Nebraska Public Service Commission and Kansas Corporation Commission for Declaratory Ruling or, in the Alternative, Adoption of Rule Declaring State Universal Service Funds May Assess Nomadic VoIP Intrastate Revenues, WC Docket No. 06-122 (Nov. 5, 2010).

<sup>2</sup>See Implementation Order Adopting Staff Report and Recommendation and requiring VOIP Providers Operating in Kansas to Report and Remit the Kansas Universal Service Fund by January 15, 2009. ¶14, Docket No. 07-GIMT-432-GIT (Sep. 22, 2008).

12, 2018 filing noted that the PIU percentage stated in the March 21, 2018 filing was in error and requested that the corrected filing replace the original filing.

4. The Commission finds Ready's filing appropriate and approves the traffic study factors submitted for KUSF remittance purpose, but notes that the Company filed its factors in March 2018, stating the intrastate factor was 84.6% based on the 15.4% PIU that it states was used for all of its Federal Form 499s in 2017 and now, the company is filing to amend these factors, stating the 2017 PIU was 16.9%, which was used for all of the 2017 Federal Form 499s. The Commission is concerned that the Company, in both filings, claims the factor was used in federal forms and is now correcting the factor. The Company is directed to review its 2017 and 2018 KUSF filings and file all required revisions, if it has not done so, with the KUSF Administrator within 30-days from the date of this Order. The Company should also file, in this Docket, an affidavit from an officer of the Company attesting that all KUSF revisions have occurred.

**IT IS, THEREFORE, BY THE COMMISSION ORDERED THAT:**

A. Ready Wireless, LLC's October 21, 2018 filing amending the traffic study factors filed on March 21, 2018, for the relevant periods of 2017 and 2018, are approved.

B. Ready Wireless, LLC is directed to review its 2017 and 2018 KUSF filings and file all required revisions, if it has not done so, with the KUSF Administrator within 30-days from the date of this Order. The Company should also file, in this Docket, an affidavit from an officer of the Company attesting that all KUSF revisions have occurred.

C. Parties have 15 days, plus three days if service is by mail, from the date of service of this Order to petition the Commission for reconsideration or request a hearing, as provided in K.S.A. 77-542.<sup>3</sup>

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<sup>3</sup>K.S.A. 77-537(b); K.S.A. 66-118b; K.S.A. 77-529(a)(1).

D. The Commission retains jurisdiction over the subject matter and parties for the purpose of issuing such further order, or orders, as it may deem necessary.

**BY THE COMMISSION IT IS SO ORDERED.**

Albrecht, Chair; Emler, Commissioner; Keen, Commissioner

Dated: 11/15/2018



Lynn M. Retz  
Secretary to the Commission

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## **CERTIFICATE OF SERVICE**

17-GIMT-008-GIT

I, the undersigned, certify that the true copy of the attached Order has been served to the following parties by means of electronic service on 11/15/2018.

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