

**BEFORE THE STATE CORPORATION 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) Docket No. 24-GIMT-229-GIT
Carriers for the Twenty- Eighth Year of the)
Kansas Universal Service Fund, Effective)
March 1, 2024.)**

**VERIZON'S MOTION FOR APPROVAL
OF INTRASTATE ALLOCATION METHODOLOGY**

Cellco Partnership, Topeka Cellular Telephone Company, Inc., Alltel Corporation, Visible Service LLC, and TracFone Wireless, Inc.¹ (together, "Verizon") respectfully move the Commission for an order approving their use of a company-specific traffic report for purposes of calculating assessments payable to the Kansas Universal Service Fund ("KUSF"). In support of this motion, Verizon states as follows:

1. Attached hereto as Exhibit "A" is the supporting affidavit of Stephen Prew, Vice President – Taxes (the "Prew Affidavit").

2. As explained in more detail in the Prew Affidavit, Verizon utilizes a company-specific traffic report that relies on actual minutes of use ("MOU") data for both Federal Universal Service Fund ("FUSF") purposes and KUSF purposes, using the inverse of the federal percentage derived from the report to determine the appropriate percentage for KUSF reporting and remittance purposes.

¹ Verizon Communications, Inc. acquired TracFone Wireless, Inc. from América Móvil, S.A.B. de CV, following the Federal Communications Commission's approval of the transfer of control on November 22, 2021. TracFone Wireless, Inc., is a wholly-owned subsidiary of Verizon Communications, Inc., just as Cellco Partnership, Topeka Cellular Telephone Company, Inc., Alltel Corporation, and Visible Service LLC are also wholly-owned subsidiaries.

3. Verizon has been using this approach since 2009 for Cellco Partnership, Topeka Cellular Telephone Company, Inc., and Alltel Corporation, and since 2018 for Visible Service LLC. Verizon last updated its Kansas traffic factor in 2023.²

4. TracFone Wireless, Inc. (“TracFone”) has also been using a methodology that relies on actual minutes of use data for both FUSF purposes and KUSF purposes, using the inverse of the federal percentage derived from the report to determine the appropriate percentage for KUSF reporting and remittance purposes. TracFone has been using this method since 2012 and last updated its Kansas traffic factor in 2023.³ Although TracFone has referred to its methodology as “direct assignment,” Verizon believes the methodology is more accurately characterized as a “traffic study” since it relies on actual MOU data. Verizon hereby updates the terminology used to describe TracFone’s methodology as a traffic study in this filing and will use that terminology in its future KUSF filings. The underlying methodology itself, however, has not and is not changing with this filing.

5. This clarification for TracFone is consistent with the Commission’s direction in its January 24, 2012, Order issued in Docket No. 12-GIMT-168-GIT, requiring that wireless carriers and interconnected Voice over Internet Protocol (“VoIP”) providers that choose not to utilize the Federal Communications Commission’s Safe Harbor percentage to allocate Kansas revenues between the intrastate and interstate jurisdictions and provide certain information to the Commission. The wireless carrier or VoIP provider must inform the Commission whether it uses the traffic study or direct assignment methodology, or a combination thereof, to allocate or

² Cellco Partnership, Topeka Cellular Telephone Company, Inc., Alltel Corporation, Visible Service LLC and TracFone filed their last update on May 10, 2023 in Docket 23-GIMT-261-GIT and the Commission approved it by Order dated May 18, 2023.

³ TracFone Wireless, Inc. filed its last update on May 10, 2023 in Docket 23-GIMT-261-GIT and the Commission approved it by Order dated May 18, 2023.

assign revenues between the interstate and intrastate jurisdictions. A wireless carrier or VoIP provider must provide the jurisdictional percentages (also known as “traffic factors”) derived from the methodology at least annually and file them in the annual KUSF docket. Additionally, the wireless carrier or VoIP provider must provide an affidavit from an officer of the company attesting that it uses the inverse of the intrastate KUSF revenue percentage for interstate, FUSF purposes. All of these obligations are satisfied here by Verizon because its traffic report contains actual MOU data and the factors developed using that data, which are being filed herewith under seal because that data is proprietary and confidential and constitutes a trade secret.

WHEREFORE, Verizon respectfully requests that the Commission enter an order approving Cellco Partnership’s, Topeka Cellular Telephone Company, Inc.’s, Alltel Corporation’s, Visible Service LLC’s and TracFone Wireless, Inc.’s company-specific traffic report and using the inverse of the federal percentage derived therefrom for KUSF reporting purposes, and for such other relief as is just and proper.

Dated: April 23, 2024

Respectfully submitted,

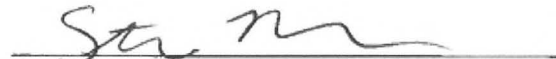


David E. Bengtson (#12184)
Stinson LLP
1625 N. Waterfront Parkway, Suite 300
Wichita, KS 67206-6620
Direct: (316) 268-7943
Fax: (316) 268-9798
david.bengtson@stinson.com

Counsel for Cellco Partnership, Topeka Cellular Telephone Company, Inc., Alltel Corporation, Visible Service LLC, and TracFone Wireless, Inc.

VERIFICATION

I, Stephen Prew, being of lawful age and duly sworn, state that I have read the above and foregoing Motion and verify that the statements contained therein are true and correct to the best of my knowledge and belief.



Stephen Prew

Subscribed and sworn to before me this 10 day of April, 2024.



Notary Public

My Commission Expires:

Maria Ham-Chakotae
NOTARY PUBLIC
State of New Jersey
ID # 50097286
My Commission Expires 1/18/2029

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the above and foregoing Verizon's Motion for Approval of Intrastate Allocation Methodology was served via electronic mail this 23rd day of April, 2024, to the parties appearing on the Commission's service list for Docket No. 24-GIMT-229-GIT:

Brett W. Berry, Litigation Counsel
Kansas Corporation Commission
1500 SW Arrowhead Rd.
Topeka, KS 66604
b.berry@kcc.ks.gov

Della Smith
Citizens' Utility Ratepayer Board
1500 SW Arrowhead Rd.
Topeka, KS 66604
d.smith@curb.kansas.gov

Bruce A. Ney, AVP –Sr. Legal Counsel
AT&T Services, Inc.
816 Congress Ave., Suite 1100
Austin, TX 78701-2471
bruce.ney@att.com

Connor A Thompson, Attorney
Foulston Siefkin LLP
7500 College Blvd., Suite 1400
Overland Park KS 66201-4041
cthompson@foulston.com

Joseph R. Astrab, Attorney
Citizens' Utility Ratepayer Board
1500 SW Arrowhead Rd.
Topeka, KS 66604
j.astrab@curb.kansas.gov

James P. Zakoura, Attorney
Foulston Siefkin LLP
7500 College Blvd., Suite 1400
Overland Park, KS 66201-4041
jzakoura@foulston.com

Todd E. Love, Attorney
Citizens' Utility Ratepayer Board
1500 SW Arrowhead Rd.
Topeka, KS 66604
t.love@curb.kansas.gov

Mark Doty, Attorney
Gleason & Doty Chtd.
401 S. Main, Suite 102
Ottawa, KS 66067
Doty.Mark@gmail.com

David W. Nickel, Consumer Counsel
Citizens' Utility Ratepayer Board
1500 SW Arrowhead Rd.
TOPEKA, KS 66604
D.Nickel@Curb.Kansas.gov

Colleen Jamison
Jamison Law, LLC
P O Box 128
Tecumseh, KS 66542
Colleen.Jamison@jamisonlaw.legal

Shonda Rabb
Citizens' Utility Ratepayer Board
1500 SW Arrowhead Rd.
Topeka, KS 66604
s.rabb@curb.kansas.gov



David E. Bengtson

EXHIBIT “A”

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In the Matter of An Investigation to Determine)	
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STATE OF NEW JERSEY)	
)	
COUNTY OF SOMERSET)	

**AFFIDAVIT OF STEPHEN PREW
ON BEHALF OF VERIZON**

I, Stephen Prew, being of lawful age and duly sworn, state as follows:

1. I am employed by Verizon as Vice President - Taxes. In this capacity, I am responsible for, *inter alia*, reporting and remittances relating to the Kansas Universal Service Fund ("KUSF") for Celco Partnership, Topeka Cellular Telephone Company, Inc., Alltel Corporation, Visible Service LLC, and TracFone Wireless, Inc. (together, "Verizon").
2. Verizon's allocation methodology for KUSF purposes is based on a company-specific traffic report. Verizon's company-specific traffic report is used for both Federal Universal Service Fund ("FUSF") and KUSF purposes. The traffic report is based on actual call origination and termination minutes of use ("MOU") data obtained from Verizon's call detail records, and, for TracFone Wireless, Inc., call data provided by other carriers. The MOU are classified as interstate, intrastate or international. Verizon derives the percentage of interstate/international MOU by dividing the number of interstate and international MOU into

total MOU. This percentage is accepted by the Federal Communications Commission for FUSF reporting purposes.

3. Verizon uses the inverse of the federal percentage derived therewith to calculate the percentage for KUSF reporting purposes ($100\% - \text{FUSF \%} = \text{KUSF \%}$). This approach provides a fair and balanced symmetry between federal and state USF programs, and complies with the Commission's directive that carriers use the same allocation methodology for FUSF and KUSF purposes.

4. Verizon applies the KUSF percentage to its Kansas retail revenues to determine the amount it remits to the KUSF.

5. Cellco Partnership, Topeka Cellular Telephone Company, Inc., Alltel Corporation, and Visible Service LLC have used, and continue to use, the same methodology previously disclosed to the Commission.


6. TracFone Wireless, Inc. has used, and continues to use, the same methodology previously disclosed to the Commission.

7. Beginning in April of 2023, Visible Service LLC will use the same methodology as described herein and previously disclosed, however it will be using a Visible-specific traffic report.

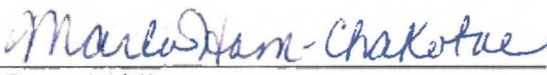
8. The intrastate factors used by Verizon for KUSF purposes for the KUSF reporting period from March 2012 through the present are set forth on the confidential and proprietary attachment to my affidavit.

9. Because the intrastate factors are derived from proprietary and confidential trade secret actual MOU data, the attachment to my affidavit is being filed under seal.

Pursuant to Kan. Stat. Ann. 53-601, I certify that the foregoing is true and correct to the best of my knowledge.


Stephen Prew

Subscribed and sworn to before me this 10 day of April, 2024.


Notary Public

My Commission Expires:

Maria Ham-Chakotae
NOTARY PUBLIC
State of New Jersey
ID # 50097286
My Commission Expires 1/18/2029

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