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

Before Commissioners:

Andrew J. French, Chairperson Dwight D. Keen Annie Kuether

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In the Matter of the Investigation to Determine the Affordable Local Service Rates for Rateof-Return Regulated Carriers and the Annual) Assessment Rate for the Twenty-Fifth Year of) the Kansas Universal Service Fund, Effective) March 1, 2021.

Docket No. 21-GIMT-095-GIT

ORDER APPROVING TRAFFIC FACTORS FOR 8x8, INC.

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. 66-2008(a), Pursuant to K.S.A. "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.

Pursuant to the Commission's Order of January 24, 2012, and Amended Order of 2. 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 for compliance with the order entered by the Commission in Docket No. 94-GIMT- 478-GIT. First, a provider may utilize the Federal Communications Commission's (FCC) Safe Harbor percentages to allocate intrastate and interstate Kansas revenues.¹ 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 an application to request use of 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, a wireless carrier or VoIP provider must identify the specific timeframes for which the traffic factors apply. The requirement to file an application to approve the use of a methodology 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.² 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 July 9, 2024, 8x8, Inc., (8x8) a California general partnership, filed their traffic study factors beginning January 2020 and ending December 2020 for use during the period January

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

²See 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).

1, 2021, and ending December 31, 2021. The filing was accompanied by an affidavit signed by Suzanne Michelle Seandel, Chief Accounting Officer for 8x8, advising the Commission of the methodology 8x8 uses to allocate intrastate revenues for KUSF purposes.

4. Based upon Staff's verification that 8x8's methodology allocating intrastate revenues for KUSF purposes meets the provisions of K.S.A. 66-2008(a) and the order entered by the Commission in Docket No. 94-GIMT-478-GIT, the Commission finds that 8x8's traffic study factors filed July 9, 2024, should be approved for KUSF remittance purposes.

IT IS, THEREFORE, BY THE COMMISSION ORDERED THAT:

A. 8x8, Inc.'s traffic study factors and the resulting intrastate factors derived, for the period of January 2020 and ending December 2020, are approved.

B. 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).³

BY THE COMMISSION IT IS SO ORDERED.

French, Chairperson; Keen, Commissioner; Kuether, Commissioner

Dated: _10/15/2024

Lynn M. Ref

Lynn M. Retz Executive Director

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³K.S.A. 66-118b; K.S.A. 77-503(c); K.S.A. 77-531(b).

CERTIFICATE OF SERVICE

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I, the undersigned, certify that a true copy of the attached Order has been served to the following by means of

electronic service on <u>10/15/2024</u>

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CERTIFICATE OF SERVICE

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