THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS

Before Commissioners:

Mark Sievers, Chairman Thomas E. Wright

In the Matter of the Application of YourTel)
America, Inc. to Amend Its Designation as an) Docket No. 12-TPCT-768-ETC
Eligible Telecommunications Carrier in the) ·
State of Kansas.)

ORDER EXPANDING ELIGIBLE TELECOMMUNICATIONS CARRIER STATUS TO ADDITIONAL SERVICE AREAS

NOW, 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. On January 23, 2009, YourTel America, Inc. ("YourTel") filed an Application in Docket No. 09-TPCT-596-ETC requesting Eligible Telecommunications Carrier ("ETC") status in certain AT&T exchanges for the purpose of receiving low-income Federal Universal Service Fund ("FUSF") support and Kansas Universal Service Fund ("KUSF") support when providing universal service via wireless technology. On April 17, 2012, YourTel filed a request for low-income wireless ETC designation in additional AT&T exchanges and specific Rural Local Exchange Carrier ("RLEC") service areas. A complete listing of the RLEC and AT&T exchanges requested can be found in Exhibits A and B attached to this Order.
- 2. In order to receive low-income Lifeline wireless ETC designation from the Commission, the requesting carrier must make showings required under federal law. Pursuant to

47 U.S.C. § 214(e)(1)-(2), § 254(c), and 47 C.F.R. § 54.101(a), the carrier must make the following showings:

- a. The carrier will offer the services supported by federal universal service support mechanisms under 47 U.S.C. § 254(c), either using its own facilities or a combination of its own facilities and resale of another carrier's services (including the services offered by another ETC) throughout the service area for which designation is received.¹
- b. The carrier will advertise the availability of such service and the charges therefore using media of general distribution.
- c. Designation would be consistent with the public interest, convenience, and necessity.²
- 3. Pursuant to Federal Communications Commission ("FCC") orders, Commission orders, and Kansas law, the carrier requesting low-income Lifeline wireless ETC designation must also show:

Voice Telephony services shall be supported by federal universal service support mechanisms. Eligible voice telephony services must provide voice grade access to the public switched network or its functional equivalent; minutes of use for local service provided at no additional charge to end users; access to the emergency services provided by local government or other public safety organizations, such as 911 and enhanced 911, to the extent the local government in an eligible carrier's service area has implemented 911 or enhanced 911 systems; and toll limitation services to qualifying low-income consumers as provided in subpart E of this part.

47 C.F.R. § 54.101(a). Carriers who receive forbearance from the "own-facilities" requirement for federally-supported universal service still need to meet the "own facilities" requirement in order to be eligible for Kansas Universal Service Fund ("KUSF") support. "Service area" is defined in 47 U.S.C. § 214(e)(5). In determining whether "minutes of use for local service is provided at no additional charge to end users," the Commission will consider the comparability of a competitive Eligible Telecommunications Carrier's ("ETC's") offering to the incumbent local exchange carrier's offering. See Docket No. 06-GIMT-446-GIT, Order Addressing Comments Regarding Revisions to Eligible Telecommunications Carrier Certification Forms, October 2, 2007. The Commission will evaluate the total service package, "including the local calling scope, included features, and usage that might otherwise be considered long distance." Id. The Commission will also consider whether an ETC applicant offers unlimited calling to government, social service, health facilities, educational institutions and emergency numbers when considering comparability. Id.

²The Commission will weigh certain factors to determine whether it is in the public interest to grant another carrier ETC status. Those factors include a) benefits of increased competitive choice; b) the impact of multiple ETC designations on the KUSF; c) the unique advantages and disadvantages of the carrier's service offering; d) commitments made regarding quality of telephone service provided by competing providers; and e) the carrier's ability to provide the supported services throughout the designated service area within a reasonable time frame. *See* Docket No. 04-RCCT-338-ETC, Order No. 14 Order Granting ETC Designation and Addressing Additional Issues, September 30, 2004. The Commission will also take into account any other relevant factors in determining whether ETC designation is in the public interest.

¹The supported services are codified in 47 C.F.R. § 54.101(a), which reads as follows:

- a. Lifeline customers will be able to apply the Lifeline discount to any calling plan offered by the carrier.³ Additionally, the entirety of the Kansas Lifeline Service Program ("KLSP") discount will be passed along to the end user consumer.⁴ If the carrier offers the same service plans in other states that do not have additional support on top of federal Lifeline subsidies, the carrier will offer a plan in Kansas that justifies the additional Lifeline funds from the KLSP.⁵
- b. The carrier will use The Kansas Lifeline Credit Application to enroll eligible customers in the KLSP or their own Credit Form which must contain all the data found in the Kansas Lifeline Credit Application.⁶
- c. The carrier is financially and technically capable of providing the supported Lifeline service in compliance with all of the low-income program rules.⁷
- d. The carrier has received approval of its Compliance Plan with the FCC (if applicable).
- e. The carrier undertakes efforts to eliminate waste, fraud, and abuse in the Lifeline program.
- f. The carrier, in its advertising, will use "meaningful language so that consumers will understand what they can expect from an ETC," and include contact information for the Commission's Office of Public Affairs and Consumer Protection ("PACP"), the Kansas Corporation Commission, and the Kansas Relay Center for the hearing or speech impaired.
- g. The carrier has sufficient back-up power to remain functional without external power in emergency situations, is able to reroute traffic around damaged facilities, and can manage emergency traffic spikes.⁸

³See Docket No. 06-GIMT-446-GIT, Order Adopting Requirements for Designations of Eligible Telecommunications Carrier, October 2, 2006.

⁴See Docket No. 10-GIMT-658-GIT, Order Addressing Issues Concerning The Kansas Lifeline Service Program, August 17, 2011.

⁵This only applies if the carrier is seeking Kansas Lifeline Service Program ("KLSP") funds.

⁶See Docket No. 10-GIMT-658-GIT, Order Requiring Eligible Telecommunications Carriers to Comply With New Lifeline Requirements and Requesting Comments, March 27, 2012; 47 C.F.R. § 54.410(d).

⁷See 47 § C.F.R. 54.201, 54.202; Docket No. 10-GIMT-658-GIT, Order Requiring Lifeline-Only ETC Applicants to Provide Kansas-Specific Information and Requesting Comments on AT&T Refund Issue, June 21, 2012. The FCC has stated that relevant considerations for such a showing include: a) Whether the Applicant previously offered services to non-Lifeline consumers; b) How long the Company has been in business; c) Whether the Applicant intends to rely exclusively on USF disbursements to operate; Whether the Applicant receives or will receive revenue from other sources; and e) Whether the Company has been subject to enforcement action or an ETC revocation proceeding in any state. In Docket No. 10-GIMT-658-GIT, the Commission also stated that lifeline-only ETC applicants should provide Kansas-specific information regarding technical and financial capacity similar to the information provided in the carrier's FCC Compliance Plan.

⁸See Docket No. 06-GIMT-446-GIT, Order Adopting Requirements for Designations of Eligible Telecommunications Carrier, October 2, 2006.

- h. The carrier is properly registered with the Kansas Secretary of State's Office.
- i. The carrier will provide service throughout its designated service area to all customers making a reasonable request for service.
- j. The carrier will comply with all applicable federal and state laws, rules, regulations, and orders. The carrier will inform the Commission of any changes in service made to comply with updated laws, rules, regulations, and orders.
- 3. Commission Staff ("Staff") submitted a Report and Recommendation in regards to the Application on July 25, 2012, attached hereto and made a part hereof by reference. Staff thoroughly examined YourTel's Application and made detailed findings in the Report and Recommendation. A summary of those findings will be noted in this order. For a detailed account of YourTel's evidentiary showings, refer to the Report and Recommendation.
- 4. Staff found that YourTel will offer the required services throughout its requested service areas using a combination of its own facilities and resale of another carrier's services. Staff found that those services would be properly advertised, and it would be in the public interest to grant low-income Lifeline ETC designation to YourTel. Staff found that YourTel demonstrated its financial and technical ability to provide the Lifeline supported services. Staff found that YourTel was in "active and good standing" with the Kansas Secretary of State's Office. Staff found that YourTel would allow the Lifeline discount to be applied to any plan selected by the customer, and the full KLSP discount will be passed through to the customer in its entirety. Staff found that YourTel will utilize the proper Kansas Lifeline Certification Form. Finally, Staff found that YourTel demonstrated its ability to remain functional during emergency situations, reroute traffic around damaged facilities, and managing traffic spikes.
- 5. Staff, satisfied with YourTel's showings, recommends approval of YourTel's Application for designation as a wireless Lifeline-Only ETC in the Blue Valley, Bluestem, Craw-Kan, Columbus, Council Grove, Cunningham, Elkhart, Fairpoint, Golden Belt, Gorham,

H&B, Haviland, Home, J.B.N., KanOkla, LaHarpe, Madison, MoKan, Moundridge, Mutual, Peoples, Pioneer, Rainbow, Rural, S&S, South Central, Southern Kansas, Sunflower, Tri-County, Twin Valley, United Tel. Assn., CenturyLink-Southeast, Wamego, Wheat State, Wilson, and Zenda study areas, and the exchanges listed in Exhibits A and B.

- 6. Staff further recommends that the Commission reiterate that YourTel must pass the KUSF Lifeline discount along to consumers in its entirety. That means offering new and existing customers additional calling minutes above and beyond the number of calling minutes provided to customers in other states where YourTel does not receive a similar state Lifeline discount.
- 7. The Commission finds Staff's analysis, findings, and recommendations to be reasonable and hereby adopts the same.

IT IS, THEREFORE, BY THE COMMISSION ORDERED THAT:

- A. YourTel's Application for expanded Lifeline-Only ETC designation in specific Kansas exchanges is approved.
 - B. YourTel shall pass the KUSF Lifeline discount along to consumers in its entirety.
- C. YourTel shall utilize Lifeline support for its intended purpose and comply with other certification requirements developed by the Commission in Docket No. 05-GIMT-112-GIT and developed in any future proceedings. Future decisions made by the Commission regarding additional ETC requirements must also be followed to continue to receive support.
- D. The parties have fifteen (15) days, plus three (3) days if service of this order is by mail, from the date this order was served in which to petition the Commission for reconsideration of any issue or issues decided herein. K.S.A. 66-118b; K.S.A. 77-529(a)(1).

E. 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.

Sievers, Chmn.; Wright, Com.

Dated:

AUG 0 8 2012

ORDER MAILED AUG 0 8 2012

Patrice Petersen-Klein Executive Director

MRN

1500 SW Arrowhead Road Topeka, KS 66604-4027 Kansas
Corporation Commission

Phone: 785-271-3100 Fax: 785-271-3354 http://kcc.ks.gov/

STATE CORPORATION
Sam Browningston

JUL 2 6 2012

PATRICE PETERSEN-KLEIN EXECUTIVE DIRECTOR

Mark Sievers, Chairman Thomas E. Wright, Commissioner

REPORT AND RECOMMENDATION UTILITIES DIVISION

TO:

Chairman Mark Sievers

Commissioner Thomas E. Wright

FROM:

Christine Aarnes

DATE:

July 25, 2012

DATE SUBMITTED TO EXECUTIVE DIRECTOR:	7/26/12
DATE SUBMITTED TO LEGAL: 7-27. 12.	
DATE SUBMITTED TO COMMISSIONERS: 8	-01-12

RE:

Docket No. 12-TPCT-768-ETC

In the Matter of the Application of YourTel America, Inc. to Amend Its Designation as an Eligible Telecommunications Carrier in the State of Kansas.

EXECUTIVE SUMMARY:

YourTel America, Inc. (YourTel) has filed an Application to expand its designation as an Eligible Telecommunications Carrier (ETC) in the state of Kansas. YourTel provides prepaid wireless telecommunications services to consumers using the Sprint Spectrum, LLC (Sprint) and Cellco Partnership d/b/a Verizon Wireless (Verizon) networks on a wholesale basis. YourTel seeks ETC designation to provide Lifeline service to qualifying consumers in specific Rural Local Exchange Carrier (RLEC) study areas and specific Southwestern Bell Telephone Company d/b/a AT&T Kansas (AT&T) wire centers.

Staff recommends approval of YourTel's request for designation as a Lifeline-Only ETC for Federal Universal Service Fund (FUSF) and Kansas Universal Service Fund (KUSF) purposes in the requested service areas, contingent upon meeting the following two conditions: 1) YourTel MUST pass through the KUSF Lifeline discount in its entirety to its new and existing customers; and 2) YourTel must provide Lifeline service via its own facilities or a combination of its own facilities and another carrier's services.

BACKGROUND:

On February 17, 2000, the Commission approved The Pager Company d/b/a The Pager and Phone Company's (The Pager Company) request for a Certificate to provide competitive local exchange services in the state of Kansas in Docket No. 00-TPCT-638-COC.

On April 7, 2003, the Commission approved The Pager Company's request for designation as a wireline ETC in the Wichita, Cheney, Parsons, Hutchinson, Ottawa, Topeka, Eudora, Lawrence, Kansas City, Leavenworth-Lansing, and Paola exchanges served by AT&T for the purpose of receiving low-income FUSF support in Docket No. 03-TPCT-355-ETC. The Pager Company expressed its intent to provide wireline universal service using a combination of Unbundled Network Elements (UNEs) and resale.

On February 2, 2007, the Commission approved The Pager Company's request to change its name to YourTel America, Inc. in Docket No. 07-TPCT-708-CCN.

On January 23, 2009, YourTel filed an Application in Docket No. 09-TPCT-596-ETC requesting ETC designation in the same AT&T exchanges as approved in Docket No. 03-TPCT-355-ETC (03-355) for the purpose of receiving low-income FUSF and KUSF support when providing universal service via wireless technology. The Commission approved the request in an Order dated June 10, 2009.

YourTel filed this request on April 17, 2012, requesting ETC designation in specific RLEC service areas and additional AT&T exchanges for the purpose of receiving low-income support when providing universal service via wireless technology.

YourTel is a foreign for-profit corporation organized under the laws of the state of Missouri. YourTel is authorized to conduct business as a foreign for profit corporation in the state of Kansas and its status is "active and in good standing."

ANALYSIS:

YourTel's Application indicates it is not seeking to receive high-cost support, only Lifeline support. In this Application, YourTel requests ETC designation for the entirety of the following RLEC study areas: Blue Valley Tele-communications (Blue Valley), Bluestem Telephone Company (Bluestem), Craw-Kan Telephone Cooperative (Craw-Kan), Columbus Telephone Co., Inc. (Columbus), Council Grove Telephone Company (Council Grove), Cunningham Telephone Co. (Cunningham), Elkhart Telephone Company, Inc. (Elkhart), Fairpoint Missouri (Fairpoint), Golden Belt Telephone Association (Golden Belt), Gorham Telephone Company (Gorham), H&B Communications (H&B), Haviland Telephone Company (Haviland), Home Telephone Company (Home), J.B.N. Telephone Company (J.B.N.), KanOkla Telephone Association (KanOkla), LaHarpe Telephone Company (LaHarpe), Madison Telephone (Madison), MoKan Dial (MoKan), Moundridge Telephone Company (Moundridge), Mutual

Telephone Company (Mutual), Peoples Telecommunications (Peoples), Pioneer Telephone Association, Inc. (Pioneer), Rainbow Telecommunications Association (Rainbow), Rural Telephone Service Co., Inc. (Rural), S&A Telephone Company (S & A), South Central Telephone Assn. Inc. (South Central), Southern Kansas Telephone (Southern Kansas), Sunflower Telephone Company (Sunflower), Tri-County Telephone Association (Tri-County), Twin Valley Telephone (Twin Valley), United Telephone Association, Inc. (United Telephone Assn.), Wamego Telecommunication Company (Wamego), Wheat State Telephone (Wheat State), Wilson Telephone Company (Wilson), and Zenda Telephone Company (Zenda). YourTel also requests ETC designation in specific exchanges in the service areas of: S&T Telephone Cooperative Association, Inc. (S&T), Totah Communications, Inc. (Totah), United Telephone Company of Kansas d/b/a CenturyLink (CenturyLink)¹, and AT&T. A listing of the specific rural telephone company exchanges and a listing of the specific AT&T exchanges are included as Exhibits A and B, respectively, to this Report & Recommendation.

Statutory ETC Requirements

1. Federal Requirements

Pursuant to 47 U.S.C. § 214(e)(1),

(1) A common carrier designated as an eligible telecommunications carrier under paragraph (2), (3), or (6) shall be eligible to receive universal service support in accordance with section 254 of this title and shall, throughout the service area for which the designation is received – (A) offer the services that are supported by Federal universal service support mechanisms under section 254(c) of this title, either using its own facilities or a combination of its own facilities and resale of another carrier's services (including the services offered by another eligible telecommunications carrier); and (B) advertise the availability of such services and the charges therefor using media of general distribution.

Congress empowered the states to designate a common carrier as an ETC. Pursuant to 47 U.S.C. § 214 (e)(2),

A State commission shall upon its own motion or upon request designate a common carrier that meets the requirements of paragraph (1) as an eligible telecommunications carrier for a service area designated by the State commission. Upon request and consistent with the public interest, convenience, and necessity, the State commission may, in the case of an area served by a rural telephone company, and shall, in the case of all other areas, designate more than one common carrier as an eligible

¹ YourTel requested specific CenturyLink exchanges in its Application. CenturyLink has three separate study areas in Kansas – United, Eastern, and Southeast. Upon further review, it was determined that YourTel is requesting the entirety of the CenturyLink – Southeast study area. This will be discussed further in the Service Area section of this Report.

telecommunications carrier for a service area designated by the State commission, so long as each additional requesting carrier meets the requirements of paragraph (1). Before designating an additional eligible telecommunications carrier for an area served by a rural telephone company, the State commission shall find that the designation is in the public interest.

2. State Requirements

Kansas law adopts the federal standards, contained in 214(e)(1), for designating a provider as an ETC for KUSF purposes. K.S.A. 66-2008(c) states:

Pursuant to the federal act, distributions from the KUSF shall be made in a competitively neutral manner to qualified telecommunications public utilities, telecommunications carriers and wireless telecommunications providers, that are deemed eligible both under subsection (e)(1) of section 214 of the federal act and by the commission.

Service or Functionalities

The Federal Communications Commission (FCC) identified the services or functionalities that shall be supported by the federal universal service support mechanisms, pursuant to 47 U.S.C. § 254(c). The supported services are codified in 47 C.F.R. § 54.101(a), which reads as follows:

Voice Telephony services shall be supported by federal universal service support mechanisms. Eligible voice telephony services must provide voice grade access to the public switched network or its functional equivalent; minutes of use for local service provided at no additional charge to end users; access to the emergency services provided by local government or other public safety organizations, such as 911 and enhanced 911, to the extent the local government in an eligible carrier's service area has implemented 911 or enhanced 911 systems; and toll limitation services to qualifying low-income consumers as provided in subpart E of this part.

In its Application, YourTel provided the following explanation of how it provides Voice Telephony services.

Voice Grade Access to the Public Switched Network – YourTel will meet this requirement through its provision of mobile voice communications service and interconnection to the public switched telecommunications network (PSTN). YourTel's customers will be able to make and receive calls on the public switched network within the frequency range specified by the FCC.²

² See Application, ¶ 20.

Local Usage – The Company's current local usage plan (i.e., Lifeline service offering) is summarized in Exhibit C [to the Application]. The Company's plan offers consumers numerous benefits, including minutes for free local usage, larger 'local' calling areas, the availability of mobile service, and local and long-distance calling options. In addition, this plan incorporates value-added features, such as Caller ID, call waiting, three-way calling, and voicemail; and domestic text messaging at 1.0 minutes per text.³

Access to Emergency Services – YourTel will meet this requirement by providing 911 service and meeting all requests for E911 service from local PSAPs.⁴

Toll Limitation – YourTel wireless qualifying subscribers will have the option to use their wireless service to complete long distance calls or toll calls in an amount of service that limits the amount of toll service to that which the subscriber has already paid. Therefore, YourTel will meet this requirement.⁵

With regard to the local usage component, the Commission determined in its October 2, 2006, Order in Docket No. 06-GIMT-446-GIT (October 2nd Order) that it would follow the FCC's guidance and evaluate local usage by considering the comparability of a competitive ETC's offering on a case-by-case basis "by evaluating the total service package, including the local calling scope, included features, and usage that might otherwise be considered long distance." The Commission further stated that it would consider whether an ETC applicant offers unlimited calling to government, social service, health facilities, educational institutions and emergency numbers when considering comparability.

YourTel offers three basic Lifeline service packages throughout all of its service territories. Currently, the Lifeline Free Plan 68 and the Lifeline Free Plan 125 are only available to existing customers on these plans and any customer who wishes to upgrade to the Lifeline Free Plan 250 may do so free of charge. In addition, YourTel offers two additional plans for Oklahoma and Washington state Tribal residents.

YourTel's basic Lifeline plans are as follows:

- Lifeline Free Plan 68: Each month the customer receives 68 free voice minutes. Text messaging will be assessed at a rate of 0.3 minutes per text messaging for sending and 0.3 minutes per text message for receiving text messages. Unused minutes will rollover from month-to-month and are available for a maximum of sixty (60) days.
- Lifeline Free Plan 125: Each month the customer receives 125 free voice minutes. Text messaging will be assessed at a rate of 1 minute per text messaging for

³ See Application, ¶ 21.

⁴ See Application, ¶ 23.

⁵ See Application, ¶ 24.

- sending and 1 minute per text message for receiving text messages. Unused minutes will rollover from month-to-month and are available for a maximum of sixty (60) days.
- Lifeline Free Plan 250: Each month the customer receives 250 free voice minutes. Text messaging will be assessed at a rate of 1 minute per text messaging for sending and 1 minute per text message for receiving text messages. There are no rollover minutes with this plan. Unused minutes will expire each month on the service expiration date.

With all of YourTel's Lifeline service plans, additional minutes are available for \$.05/minute, and the plans include Caller ID, Call Waiting, Three-Way Calling, Call Forwarding and Voicemail. The calling scope is nationwide.

The incumbent local exchange carriers' monthly rate for a residential access line ranges from \$11.77 to \$21.00 per month before the federal and state Lifeline discounts are applied. Customer calling features, such as Caller ID and Call Waiting, are offered for an additional charge. The local calling scope is the exchange, but local calls are unlimited.

Staff does not believe the local usage that will be offered in YourTel's wireless calling packages is clearly comparable. Rather, Staff believes in this case local usage comparability would depend on the usage pattern of the particular customer. A customer that completes calls primarily within their exchange may not find the amount of local usage offered by YourTel to be comparable to the offering of the incumbent. However, a customer that completes calls outside of their exchange may find that the local usage is comparable. When one considers the calling scope, usage that might otherwise be considered long distance and mobility, a consumer may find YourTel's plans comparable to the incumbent's service offering.

Kansas Lifeline Service Program Credit

YourTel states in its Application that with the receipt of KUSF Lifeline support, it will offer 400 free minutes of use to new wireless Lifeline subscribers in Kansas. In response to Staff Data Request (DR) 4.1, in which Staff asked if YourTel would offer the 400 free minute plan to only new customers or to new and existing customers, YourTel states it will offer 400 free minutes to all new and existing Kansas Lifeline subscribers "as soon as practical".

The Kansas Legislature required the Commission to establish the Kansas Lifeline Service Program (KLSP) to promote the provision of universal service to persons with low income, and it is to be targeted to maintain affordable rates for residential local service. As the Commission stated in its August 17, 2011, Order in Docket No. 10-GIMT-658-GIT, "in order for the KLSP purpose to be fully realized, the entirety of the KLSP discount **must** be passed along to the end user consumer, to be reflected in the end user consumer's bill, and all consumers must receive the full, maximum benefit, and not some lesser benefit due to a choice of a carrier." (emphasis added)

⁶ K.S.A. 66-2008(a).

In order to ensure that Kansas low-income consumers are receiving the full, maximum benefit of the KLSP discount, Staff recommends the Commission reiterate to YourTel that it **must** pass along the entirety of the KLSP to its consumers. Thus, at this juncture, this would require YourTel to offer the 400 free minute plan (or similar plan as plans evolve in the future) to all of its new and existing Kansas Lifeline customers, if YourTel expects to be eligible to receive the Kansas Lifeline credit for those customers. If YourTel offers Kansas subscribers the same plans it offers to Lifeline subscribers in other states, particularly states in which YourTel's customers do not receive state Lifeline discounts, YourTel is not passing along the full KLSP discount to its consumers and Kansas low-income consumers are not receiving the full, maximum benefit of the KLSP discount. Rather, they are receiving the same benefit consumers in states that do not provide a state Lifeline discount receive and YourTel should not be eligible to receive the KLSP for those customers.

Staff recognizes that plans evolve as the industry evolves; thus, Staff recommends the Commission not limit the requirement to pass along the entirety of the KLSP discount to the 400 free minute plan; but rather reiterate that the KLSP discount must be passed through to the consumer in its entirety in order to be eligible to collect the KLSP discount from the KUSF for those customers. Of course, at this juncture, this would mean providing the 400 free minute plan to its Kansas consumers.

Lifeline Calling Plan Rule

In the Commission's October 2nd Order, the Commission determined that, among other things, ETCs must apply the Lifeline discount to the service plan a qualifying Lifeline customer chooses. The Commission specifically ordered the following:

ETCs are required to allow Lifeline customers to choose a calling plan and to apply the Lifeline discount to the plan selected by the customers. Any ETC that does not allow customer selection at this time must do so within 180 days of the date of this Order.⁷

On May 3, 2012, Staff submitted DR 2.2, asking the Company if Kansas Lifeline consumers are able to subscribe to all calling plans offered by YourTel, consistent with the Kansas Lifeline Calling Plan Rule. YourTel responded in the affirmative.

Consumer Eligibility and Enrollment

In the FCC's Lifeline Reform Order, the FCC comprehensively reformed and began the modernization of the federal Lifeline program.⁸ Pursuant to the Order and 47 C.F.R.

⁷ In the Matter of a General Investigation Addressing Requirements for Designation of Eligible Telecommunications Carriers, Docket No. 06-GIMT-446-GIT, Order Adopting Requirements for Designations of Eligible Telecommunications Carrier, October 2, 2006, (446 Order), ¶ 77e.

⁸ See In the Matter of Lifeline and Link Up Reform and Modernization; Lifeline and Link Up; Federal-State Joint Board on Universal Service; Advancing Broadband Availability Through Digital Literacy Training;

54.410(d), ETCs in all states were required to update their Lifeline Certification forms by June 1, 2012, to include specific information in clear, easily understood language and participants are required to make initial and annual certifications. The information required to be disclosed includes that Lifeline is a Federal benefit and that Lifeline can only be received for one line per household.

In its March 27, 2012, Order in Docket No. 10-GIMT-658-GIT, the Commission required ETCs to utilize the Kansas Lifeline Certification Form created by the Commission Staff by June 1, 2012, or utilize its own form that includes the same information. YourTel opted to utilize its own Lifeline Certification Form, which was filed in Docket No. 10-GIT-658-GIT on May 9th, 2012. Staff has reviewed the Form and finds that it includes all of the required information.

Technically and Financially Capable

The FCC, in its Lifeline Reform Order, amended sections 54.201 and 54.202 of its rules, which govern ETC designation by states to require a carrier seeking designation as a Lifeline-Only ETC to demonstrate that it is financially and technically capable of providing the supported Lifeline service in compliance with all of the low-income program rules. Therefore, in order to ensure Lifeline-Only ETCs are financially and technically capable to provide Lifeline service, the FCC included an explicit requirement in both 54.202 and 54.203 for a common carrier seeking to be designated as a Lifeline-Only ETC demonstrate its technical and financial capability to provide the supported service.

The FCC stated that among the relevant considerations for such a showing are:

- a) Whether the Applicant previously offered services to non-Lifeline consumers;
- b) How long the Company has been in business;
- c) Whether the Applicant intends to rely exclusively on USF disbursements to operate;
- d) Whether the Applicant receives or will receive revenue from other sources; and
- e) Whether the Company has been subject to enforcement action or an ETC revocation proceeding in any state.

The Commission requested comment in its March 27, 2012, Order in Docket No. 10-GIMT-658-GIT on what additional information should be provided by Lifeline-Only ETCs to demonstrate their technical and financial capacity. After reviewing the Comments filed, the Commission determined in its June 21, 2012, Order that:

The FCC requires Lifeline-only ETC applicants to provide, in their Compliance Plan, a detailed description of how the carrier offers service,

the geographic areas in which it offers service, and a description of the carrier's various Lifeline service plan offerings, including subscriber rates, number of minutes included and types of plans available. Lifeline-only ETC applicants should file Kansas-specific information regarding technical and financial capacity similar to the information provided in the carrier's FCC Compliance Plan when filing for Lifeline-only ETC status in Kansas.

In Exhibit B to its Application, YourTel states that it has been in business for almost 17 years, nine of which have been spent providing Lifeline service, and that it offers service to all low-income customers - not just those eligible to receive reimbursements from the Lifeline program. YourTel further states that it is never been exclusively dependent on receiving Lifeline subsidies to operate and that it has never been subject to state or federal enforcement sanctions or a state revocation proceeding.

In addition, YourTel provided a Kansas-specific description of how the carrier offers service, the geographic areas in which it offers service, and a description of the carrier's various Lifeline service plan offerings, including subscriber rates, number of minutes included and types of plans available in its Application.

Staff is satisfied that YourTel meets the FCC's rules pursuant to 47 C.F.R. § 54.202 and 54.203 as being financially and technically capable to offer Lifeline-Only support in its requested service areas.

Types of Facilities Used to Provide Service

YourTel indicates it will use a combination of its own facilities and resale of another carrier's services to offer universal service. YourTel contends it is a facilities-based wireless telecommunications carrier that owns and operates two Class 4/5 switches located in Kansas City, MO, and Oklahoma City, OK, and proprietary call management intelligence located in Kansas City, MO, as well as numerous interconnections for both wireline and wireless services. YourTel carries a significant percentage of traffic from its wireless partners over its own facilities and terminates it to the Public Switched Telecommunications Network via dedicated trunks. In addition, YourTel operates a data center including the physical components used in the signaling and in the provision and routing of telecommunications services.

YourTel states in its Application that it meets the minimum facilities requirements as discussed above and requests the Commission determine as such. However, in an abundance of caution, YourTel has requested from the FCC coverage under the blanket forbearance from applying the "own-facilities" requirement to telecommunications carriers, such as YourTel that seek limited ETC designation to participate in the federal Lifeline program.

Although the FCC has granted blanket forbearance for federal support purposes to Lifeline-Only ETCs, Staff notes that the FCC's blanket forbearance only applies to

federally-supported universal service and not state-supported universal service. Thus, carriers need to meet the "own facilities" requirement in order to be eligible for Kansas support.

Staff believes YourTel's facilities meet the "own facilities" requirement in 47 U.S.C. § 214(e)(1), and YourTel is eligible to be designated an ETC for low-income FUSF and KUSF support when using its own wireless facilities or a combination of its own facilities and resale.

Service Areas

Section 214(e)(5) of the Federal Act defines "service area" as:

The term "service area" means a geographic area established by a State commission for the purpose of determining universal service obligations and support mechanisms. In the case of an area served by a rural telephone company, "service area" means such company's "study area" unless and until the [Federal Communications] Commission and the States, after taking into account recommendations of a Federal-State Joint Board instituted under section 410(c), establish a different definition of service area for such company.

"Service areas" or "operating areas" are defined by the state act in K.S.A. 66-1,187(k). K.S.A. 66-1,187(k) provides that,

- (1) In the case of a rural telephone company, operating area or service area means such company's study area or areas as approved by the federal communications commission;
- (2) in the case of a local exchange carrier, other than a rural telephone company, operating area or service area means such carrier's local exchange service area or areas as approved by the commission.

All of the rural local exchange carriers and CenturyLink are considered rural telephone companies for federal Lifeline support purposes, and AT&T is considered a non-rural telephone company for federal Lifeline support purposes. The study area is the service area currently designated for universal service support for areas served by rural telephone companies and the wire center is the service area currently designated by the Commission for universal service support for areas served by non-rural telephone companies.

Rural Telephone Company Service Areas

YourTel has requested ETC designation for the entire study areas of Blue Valley, Bluestem, Craw-Kan, Columbus, Council Grove, Cunningham, Elkhart, Fairpoint, Golden Belt, Gorham, H&B, Haviland, Home, J.B.N., KanOkla, LaHarpe, Madison, MoKan, Moundridge, Mutual, Peoples, Pioneer, Rainbow, Rural, S&A, South Central, Southern Kansas, Sunflower, Tri-County, Twin Valley, United Tel. Assn., Wamego,

Wheat State, Wilson, and Zenda. YourTel did not request ETC designation for the entirety of the CenturyLink-Southeast study area, but upon further review, it was determined that the CenturyLink-Southeast exchanges requested constitute the entire study area.

YourTel also requested ETC designation in specific wire centers in the study areas served by S&T, Totah, CenturyLink-United and CenturyLink-Eastern, which are listed in Exhibit A.

As stated above, the "service area" in an area served by a rural telephone company means such company's study area unless and until the FCC and the states, after taking into account recommendations of the Federal-State Joint Board (Joint Board), establish a different definition of service area for such company. The Joint Board recommended, in its November 8, 1996, *Recommended Decision*, that the FCC retain the current study areas of rural telephone companies as the service areas for such companies. The Joint Board further expressed the following concerns regarding the redefinition of rural telephone company service areas: (1) minimizing the potential for cream skimming; (2) recognizing that the 1996 Act places rural telephone companies on a different competitive footing from other Local Exchange Carriers (LECs); and (3) recognizing the administrative burden of requiring rural telephone companies to calculate costs at something other than a study area level.

With regard to the first concern, YourTel is not requesting high-cost support, only low-income Lifeline support; therefore, cream skimming is not a concern in this case. With regard to the second concern, which is considering the rural carrier's special status under the Telecommunications Act of 1996, Staff believes that if the Commission determines it is in the public interest to grant this Application, then any concerns regarding a rural carrier's special status should be alleviated. Staff will evaluate the public interest systematically in the public interest section. Finally, with regard to the Joint Board's third concern, since YourTel is only requesting Lifeline support, this Application will not affect how rural telephone companies calculate their costs.

AT&T Exchanges

AT&T Kansas is a non-rural carrier for both federal and state support purposes; therefore, YourTel is required to provide service throughout each exchange. YourTel has requested ETC designation in the AT&T exchanges listed in Exhibit B.

Advertising

Section 214(e)(1) of the Federal Act requires ETCs to advertise the availability of the supported services and the associated charges using media of general distribution. YourTel states it will advertise the availability of the supported services and charges in media of general distribution as required in Section 214(e)(1) of the Act. Upon designation as an ETC, YourTel shall commence publication of the availability of its wireless service offerings throughout the service area. The methods of advertising may

include television, radio, newspaper, magazine, direct mailings, public exhibits and displays, bill inserts, and telephone directory advertising. YourTel states, in its Application, that it will advertise, as it has in the past, in accordance with Commission rules. In addition, YourTel will advertise the availability of Lifeline benefits throughout its service area by including mention of such benefits in advertising and continued outreach efforts to members of the community likely to qualify for Lifeline benefits.

Staff is satisfied that YourTel will meet the advertising requirement.

Public Interest

The FCC, in its Virginia Cellular Orders, made new findings regarding determination of the public interest. While the FCC's decision is not binding on this Commission, the Commission found in its ALLTEL and RCC Minnesota Orders that examination of the additional factors enumerated in the FCC's Order is reasonable.

In response to Staff's DR 1.2, YourTel provided the following explanations of how it meets the guidelines that the FCC suggested for evaluation in the Virginia Cellular Order:

• Benefits of Increased Competitive Choice – YourTel is seeking ETC designation on a wireless basis, which will provide an additional valuable alternative to the existing telecommunications services currently available in its proposed Service Area and will promote availability and facilitate the provision of advanced communications services to low income residents of Kansas.

YourTel knows from its experience in underserved markets that there are significant areas within its proposed ETC Service Area in which its target market, low income subscribers, are underserved by wireless telephone carriers. Additionally, YourTel knows from experience that there are pockets of consumers who still do not have basic communications service. It is YourTel's mission to identify and reach out to these disparate groups, regardless of whether they live in a large city or a small town, just like it has done and it is doing in its current ETC service areas in other jurisdictions as well as in Kansas, in order to bring the benefit of communications to these un-served consumers. The mobility of YourTel's prepaid wireless service will assist low income consumers who often are dependent on public transit or others for their own mobility. Without a wireless connection, these customers may not be able to contact transportation sources, friends or family, and may not have timely access to emergency services when needed.

September 30, 2004, Order.

See In the Matter of Federal State Joint Board on Universal Service: Virginia Cellular, LLC Petition for Designation as an Eligible Telecommunications Carrier In the Commonwealth of Virginia, Released: January 22, 2004, ("Virginia Cellular Order"), FCC Docket No. DA 03-338.
 See Docket No. 04-ALKT-283-ETC, September 24, 2004, Order and Docket No. 04-RCCT-338-ETC,

Designation of the Company as an ETC on a wireless basis will also provide other carriers serving the same area, if any, with an incentive to improve their existing networks and service offerings in order to remain customer-focused, which will result in improved consumer services and will also benefit consumers by allowing YourTel to offer the services designated for support at rates that are "just, reasonable, and affordable." YourTel has a long history of challenging the marketplace. In 2003, when YourTel began its first major expansion into a new state, our competitors were offering Lifeline services at \$17 per month. Through ingenuity and hard work, YourTel was able to offer better service for just over \$1. Within months, the competition lowered its rates to match YourTel's.

Taken together, YourTel expects these additional advantages will create an atmosphere that will cause many qualified consumers, at their option, to select the Company's low income wireless Lifeline in lieu of the more traditional wireline or wireless services, which may not be affordable to such qualified consumers. Without YourTel's Lifeline offering, many consumers will continue to be unable to afford basic communications and, furthermore, without a Lifeline competitor in the marketplace with YourTel's long history and experience serving the unique needs of eligible subscribers, there will not exist a robust competitive marketplace.

- Competitive ETC's Ability to Provide the Supported Services Throughout the Designated Service Area Within a Reasonable Time Frame As YourTel is already providing wireless Lifeline service in Kansas, YourTel would be able to provide service in its new Kansas Service Area immediately.
- Impact of Multiple Designations on the Universal Service Fund YourTel reiterates that it is applying for ETC designation solely for the purpose of providing Lifeline discounts to qualified low income consumers and to seek reimbursement for the same and will not seek or accept high cost support.

Consequently, designation of YourTel as an ETC will not pose any adverse effect in the growth of the high cost portions of the USF, nor will it create or contribute to any significant erosion of high cost funding from any rural or non-rural telephone company or existing ETCs.

• • •

Low income support distributions were dwarfed by high cost distributions in 2010. For 2010, total low income support for 2010 accounted for only 16.6% of the total distribution of the USF, with high cost support accounting for over 53% of total distributions.

It is also vital to recognize that in the case of Lifeline support, an ETC receives USF support only for the customers it obtains. In the scenario where a competitive ETC obtains a Lifeline customer from another ETC, only the "capturing" ETC provides Lifeline discounts and as a result, only the "capturing" ETC receives

support reimbursement. The support received also has no impact on the high cost fund.

- Unique Advantages and Disadvantages of the Competitor's Service Offering

 Consistent with the increased competitive choice afforded by YourTel's prepaid wireless service, the service has unique advantages. Again, there is no other provider of this service in Kansas. Thus, by definition YourTel's service will be unique and hence will be of great benefit to Kansans.
- Commitments Made Regarding Quality of Telephone Service Provided By Competing Providers- As to the quality of service provided by YourTel, it is clear there are no competitors in the particular market which YourTel seeks to serve, so service comparisons are difficult. To YourTel's knowledge, there is no other wireless provider which provides wireless service to Lifeline eligible customers on a prepaid basis. YourTel will be offering a truly unique product, and it will do so using facilities purchased from the principal underlying wireless carriers which have comprehensive networks in the area. As there are no competitors in this market, there is no provider to argue that their service is of a quality superior to the service YourTel proposes to offer.

Impact on Funds

In order to fully evaluate the financial impact this Application will have on both the FUSF and the KUSF, Staff sent DRs 3.1 and 3.2 requesting the estimated dollar impact on the respective funds. In response to DRs 3.1 and 3.2, YourTel estimates the dollar impact to be approximately \$238,000 per month on the FUSF and \$200,000 per month on the KUSF.

According to Staff's calculations, YourTel is estimating it will capture approximately 25,700 to 25,750 additional Lifeline subscribers per month. According to FCC data, there are approximately 229,000 households in Kansas eligible for the Lifeline program and the "take rate" is approximately 25%. 11 This means there are approximately 171,750 low-income households in Kansas who are eligible for the Lifeline discount but are not enrolled in the Lifeline program and approximately 57,250 Kansans are currently subscribed to the Lifeline program. YourTel's projected new subscribers could be eligible customers who do not already have Lifeline service or they could be customers who are currently receiving Lifeline service from another ETC. Unlike high-cost support, when an ETC "captures" a Lifeline customer who is currently receiving Lifeline service, the support is portable; that is, the Lifeline support is provided to the new ETC and the previous ETC loses the support. Therefore, the projected impact on the fund is not a dollar for dollar increase, but rather it will only increase the size of the FUSF and KUSF if YourTel enrolls new Lifeline-eligible customers.

¹¹ FCC Lifeline Order, Chart 2, p. 52.

The purpose of the Lifeline programs is to promote the provision of universal service to persons with low income, and it is to be targeted to maintain affordable rates for residential local service. Therefore, even though the size of the funds may increase due to the approval of this Application; staff notes that increase in Lifeline participation will be consistent with the goals of the Lifeline programs. That said, Staff is cautious about increasing the size of the funds and will monitor Lifeline "take rates" and the net impact on the size of the funds. If the KLSP increases substantially, Staff will consider recommending the Commission review the KLSP and whether the discount amount provided is appropriate.

Staff notes that the FCC implemented new rules that were adopted in its February 6, 2012, Lifeline Order to eliminate waste, fraud, and abuse, which will minimize impacts on the funds. A household is eligible to receive only one Lifeline discount and subscribers are now required to certify that they understand and are abiding by the rule. An eligible consumer may receive a discount on either a wireline or wireless service, but not both. A consumer whose household currently is receiving more than one Lifeline service must select a single Lifeline provider and contact the other provider to de-enroll from their program. Consumers violating this rule may also be subject to criminal and/or civil penalties. In addition, the FCC is in the process of creating a duplicates database that will allow ETCs to "dip" into the database to determine whether the customer is already receiving Lifeline service from another provider, to aid in preventing multiple low-income discounts per eligible household. The FCC's new rules and the upcoming duplicates database will further reduce the current and future impacts on the funds.

Staff further notes that YourTel has been randomly selected by the Commission's third-party administrator of the KUSF, GVNW, for a KUSF audit. The objective of the review is to provide an administrative control over all qualifying telecommunications public utilities, wireless providers, Interconnected Voice over Internet Protocol (VoIP), and other carriers receiving funds from or providing funds to the KUSF in accordance with K.S.A. 66-2010 and Commission Orders. The obligation of each review is to verify the selected Company's obligation of KUSF assessments reported and paid to the fund and that the Company collected no more than an amount equal to or less than its assessment from customers, pursuant to K.S.A. 66-2008(b), and to ensure compliance with Commission Orders. During the auditing process, GVNW will ensure YourTel is collecting and reporting KUSF assessments correctly, receiving the proper documentation for the KLSP, and following Commission rules.

Ability to Remain Functional in an Emergency

The Commission determined in its October 2nd Order that, as part of its public interest evaluation, the Commission will require an ETC Applicant to demonstrate that it has sufficient back-up power to remain functional without external power in emergency situations, is able to reroute traffic around damaged facilities, and can manage emergency

¹² See Docket No. 11-GIMT-201-GIT, GVNW Consulting, Inc.'s Submission of March 2011/February 2012 KUSF Year 15 Selections for Carrier Reviews, Revised Selection Criteria and Audit Procedures, June 29, 2012.

traffic spikes. In its Application, YourTel indicates that through a combination of its own facilities and those of other carriers, the Company will continue to remain functional in emergency conditions, including access to a reasonable amount of back-up power to ensure functionality without an external power source, rerouting of traffic around damaged facilities, and the capability of managing traffic spikes resulting from emergency situations.

Following review of YourTel's Application and its responses to Staff's DRs, Staff believes YourTel has demonstrated that it is in the public interest to designate it as an ETC for Lifeline-Only support in the requested service areas. YourTel will be eligible to receive low-income support only, and Staff believes the addition of YourTel's Lifeline service offerings will be a benefit to low-income Kansas consumers.

RECOMMENDATION:

Staff recommends approval of YourTel's Application for the designation as an ETC in the Blue Valley, Bluestem, Craw-Kan, Columbus, Council Grove, Cunningham, Elkhart, Fairpoint, Golden Belt, Gorham, H&B, Haviland, Home, J.B.N., KanOkla, LaHarpe, Madison, MoKan, Moundridge, Mutual, Peoples, Pioneer, Rainbow, Rural, S&A, South Central, Southern Kansas, Sunflower, Tri-County, Twin Valley, United Tel. Assn., CenturyLink-Southeast, Wamego, Wheat State, Wilson, and Zenda study areas, and the exchanges listed on Exhibits A and B for the purpose of receiving low-income FUSF and KUSF support for its wireless customers when utilizing its own facilities or a combination of its own facilities and that of another carrier.

Staff further recommends the Commission reiterate that YourTel MUST pass the KUSF Lifeline discount along to consumers in its entirety. This means YourTel must offer to new and existing customers additional calling minutes above and beyond the number of calling minutes provided to customers in other states where YourTel does not receive a similar state Lifeline discount.

cc: Patrice Petersen-Klein, Executive Director Jeff McClanahan, Director of Utilities

Exhibit A – Exchanges Requested in RLEC Study Areas

S&T Telephone

Brewster Grinnell Kanorado Levant Menlo Russell Springs

Russell Springs Dighton Healy

Totah Communications

Elk City Havana Liberty Tyro

CenturyLink - United

Alma Altamont Baldwin Buhler Burlingame Burlington **Burrton** Ellinwood Eskridge Fredonia Garnett Haven Hiawatha Hillsboro Holton Horton **Junction City** Kincaid Lyndon Melvern Moran Morrill Mound Valley

Osawatomie

Oskaloosa

Oswego

Pomona

Powhattan

Quenamo Troy Valley Falls Wathena Waverly Westphalia

Abbeyville

CenturyLink - Eastern

Alden Alta Vista Altoona Arlington Belle Plaine Belpre **Benedict** Blue Mound **Bucyrus** Buffalo Centropolis Circleville Claflin Conway Coyville Cunningham Delia Denison Durham Edgerton **Emmett** Fall River **Fontana**

Gardner
Greeley
Gridley
Harveyville
Hesston
Hoisington
Hoyt
Hudson
Inman
LaFontaine
Lancaster
Lane
Langdon

LeRoy Lebo Lehigh Linwood Macksville Mapleton Mayetta

Mayetta McLouth Meriden

Meriden Michigan Valley **Mound City** Murdock Neosho Falls Nortonville Osage City Overbrook Oxford Ozawkie Parker **Partridge** Perry Piqua Preston **Pretty Prairie** Princeton Quincy Richmond Rossville Silver Lake Spring Hill St. John St. Mary's Sterling Sylvia Thayer Toronto Walton Wellsville

Winchester

Windom

EXHIBIT B - EXCHANGES REQUESTED IN AT&T SERVICE AREA

Abilene Almena Andale **Anthony Arkansas City Atchison Attica** Atwood Basehor Belleville **Beloit Bird City** Blue Rapids Bucklin **Burns** Caney Canton Chanute Chapman Chase Cherryvale Chetopa Cheyenne Clay Center Clinton Coffeyville Colby Coldwater Concordia Cottonwood Falls De Soto **Dodge City** Douglas El Dorado Ellsworth

Emporia Erie Eudora Eureka Florence Ft. Scott Fowler Frankfort **Garden City** Garden Plain Goodland **Great Bend** Greensburg Gypsum Halstead Hamilton Hanover Harper Harrington Hartford Hays Howard Hoxie Humboldt Hutchinson Independence Jewell Kingman Kinsley LaCrosse Larned Lawrence Leavenworth Leon Liberal

Lincoln Lindsborg Lola Lyons Manhattan Mankato Marion Marquette Marysville McDonald McPherson Meade Medicine Lodge Minneapolis Minneola Moline Mount Hope Neodesha Newton Nickerson Norcatur Norton Oakley Oberlin Ottawa Paola **Parsons** Pawnee Rock Peabody **Phillipsburg** Pittsburg **Plains** Plainville Pratt Protection

Salina Sabetha Scandia **Scott City** Seneca Severy **Smith Center** Solomon St. Francis St. Paul Stafford Stockton Sublette Tonganoxie Washington Wellington Williamsburg Winfield Yates Center

Reading

PLEASE FORWARD THE ATTACHED DOCUMENT (S) ISSUED IN THE ABOVE-REFERENCED DOCKET TO THE FOLLOWING:

NO. CERT. COPIES NO. PLAIN COPIES

NAME AND ADDRESS

ROSE MULVANY HENRY, ATTORNEY BRADLEY ARANT BOULT CUMMINGS LLP 1600 DIVISION ST STE 700 PO BOX 340025 NASHVILLE, TN 37203-0025

MICHAEL NEELEY, LITIGATION COUNSEL KANSAS CORPORATION COMMISSION 1500 SW ARROWHEAD ROAD TOPEKA, KS 66604-4027 ***Hand Delivered***

DALE SCHMICK, VICE-PRESIDENT/GEN. MANAGER YOURTEL AMERICA, INC. PO BOX 270017 KANSAS CITY, MO 64127-0017

ORDER MAILED AUG 0 8 2012