

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

Before Commissioners: Shari Feist Albrecht, Chair
 Jay Scott Emler
 Pat Apple

In the Matter of a General Investigation of Net)
One International, Inc. to Show Cause Why)
This Commission Should Not Initiate) Docket No. 15-NOIC-468-SHO
Sanctions and Fines and Cancel, Suspend and)
Revoke Any Authority the Carrier Currently)
Holds.

ORDER REVOKING CERTIFICATE

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 July 16, 1997, in Docket No. 97-ICHC-656-COC, the Commission granted Net One International, Inc. (Net One) a Certificate of Convenience and Authority to operate as an inter-exchange carrier (IXC) in the state of Kansas.
2. On August 1, 2007, in Docket No. 08-NOIC-131-SHO, the Commission gave Net One until August 29, 2007, to show cause why the Commission should not penalize the Company and/or revoke its authority to provide IXC service for failing to file its 2006 Annual Report and being in forfeiture status with the Kansas Secretary of State.
3. Net One did not respond by August 29, 2007, as ordered. Thus, on September 19, 2007, the Commission revoked Net One's Certificate of Convenience for failing to remain compliant with Kansas statutes.

4. On August 19, 2010, Net One filed a new Application asking to be re-certified as an IXC in Docket No. 11-NOIC-150-COC, which was granted on December 23, 2010.

5. On January 29, 2015, in Docket No. 15-NOIC-316-SHO, the Commission issued Net One a show cause order for failing to remit payment for outstanding assessment invoices dated October 15, 2014. Net One ultimately remitted payment for the delinquent invoices, but has yet to pay the \$100 delinquency penalty assessed by the Commission. Pursuant to K.S.A. 66-1503, Net One owes the Commission another \$100 assessment on top of the delinquency penalty, bringing Net One's total assessment to \$200.

6. K.S.A. 66-1503 allows the Commission to impose an assessment on all public utilities based on a percentage of a utility's gross intrastate operating revenues.

7. On June 23, 2015, Commission Staff submitted a Report and Recommendation (R&R) in this docket, attached hereto and made a part hereof by reference. Staff noted that Net One continues to be negligent in maintaining its current assessment status pursuant to K.S.A. 66-1503.

8. Staff's R&R details Staff's ongoing attempts to communicate with Net One to correct the Company's delinquency. In March 2015, Staff sent two notices of outstanding assessment to Net One, both of which went unanswered. Staff followed up with emails on May 18 and June 4, 2015, sent to an alternative Net One contact supplied by GVNW Consulting. Both emails remain unanswered. In the above-referenced notices and emails, Staff advised the Company that failure to remit payment of the outstanding assessments could result in Staff recommending the Commission open a show cause proceeding to impose penalties on the Company for failing to comply with Kansas law as authorized by K.S.A. 66-138.

9. Staff recommends that due to the compliance and delinquency issues cited in the April 16, 2015, show cause order, and Net One's failure to respond to Staff's ongoing notices and emails, Net One's Certificate of Convenience and Authority to operate as an IXC in the state of Kansas should be revoked. Staff also recommends that if the Commission revokes Net One's Certificate, GVNW Consulting should be authorized to remove Net One's name from its active Kansas Universal Service Fund (KUSF) files.

10. The Commission finds Staff's findings and recommendations to be reasonable and hereby adopts the same.

IT IS, THEREFORE, BY THE COMMISSION ORDERED THAT:

A. Net One International, Inc.'s Certificate of Convenience and Authority to operate as an IXC in the state of Kansas is revoked, and GVNW Consulting is authorized to remove Net One's name from its active KUSF files.

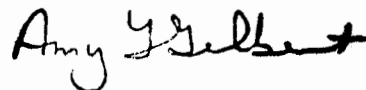
B. The parties have fifteen (15) days, plus three (3) days if service of this order is by mail, from the date this order was served in which to petition the Commission for reconsideration of any issue or issues decided herein. K.S.A. 66-118b; K.S.A. 77-529(a)(1).

C. 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; Apple, Commissioner

Dated: JUN 30 2015



ORDER MAILED JUL 01 2015

Amy L. Gilbert
Secretary

MJD

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Shari Feist Albrecht, Chair
Jay Scott Emler, Commissioner
Pat Apple, Commissioner

Sam Brownback, Governor

REPORT AND RECOMMENDATION UTILITIES DIVISION

TO: Chair Shari Feist Albrecht
Commissioner Jay Scott Emler
Commissioner Pat Apple

FROM: Hal Baumhardt, Senior Telecommunications Analyst
Christine Aarnes, Chief of Telecommunications
Jeff McClanahan, Director of Utilities

DATE: June 23, 2015

SUBJECT: 15-NOIC-468-SHO
In the Matter of a General Investigation of Net One International, Inc. to Show Cause Why This Commission Should Not Initiate Sanctions and Fines and Cancel, Suspend and Revoke Any Authority the Carrier Currently Holds.

EXECUTIVE SUMMARY:

Net One International, Inc. (Net One) is delinquent with outstanding Commission Assessments. Numerous attempts have failed to get Net One compliant with Kansas Statutes Annotated (K.S.A.) 66-1503. The Commission previously issued an Order to Show Cause on April 16, 2015, but the Company failed to respond within the allotted thirty (30) days. Therefore, Staff recommends the Commission revoke Net One's Certificate of Convenience and Authority.

BACKGROUND:

On September 30, 1999, Net One filed an Application to change its name from International Charity Network, Inc. in Docket No. 00-NOIC-238-CCN, which was granted on January 28, 2000. The Commission initially granted Net One authority to operate as an interexchange carrier (IXC) on July 16, 1997, in Docket No. 97-ICHC-656-COC.

On August 1, 2007, the Commission show caused the Company for failing to file its 2006 Annual Report and being in forfeiture status with the Secretary of State's Office in Docket No. 08-NOIC-131-SHO. On September 19, 2007, the Commission revoked the Company's Certificate of Convenience for failing to remain in compliance with Kansas statutes.

On August 19, 2010, the Company filed a new Application requesting to be re-certified as an IXC in Docket No. 11-NOIC-150-COC, which was granted on December 23, 2010.

On January 29, 2015, the Commission show caused the Company in Docket No. 15-NOIC-316-SHO for failing to remit payment for outstanding assessment invoices dated October 15, 2014. On March 2, 2015, Net One finally remitted payment for the delinquent invoices. On March 12, 2015, the Commission dismissed the Docket with a penalty assessment of \$100 for being delinquent with Kansas statute K.S.A. 66-1503, which remains outstanding.

K.S.A. 66-1503 provides for the Commission to impose an assessment on all public utilities based on a percentage of a utility's gross intrastate operating revenues (GIOR). The Company has an outstanding Commission Assessment from invoices dating back to January 15, 2015, in the amount of \$200.00, which includes the \$100 penalty from the previous Show Cause Order.

K.S.A. 66-2008 requires all telecommunications public utilities to contribute to the KUSF on an equitable and nondiscriminatory basis, K.S.A. 66-123 requires public utilities to file Annual Reports with the Commission, and K.S.A. 17-7931(a) requires all telecommunications public utilities to remain "*active and in good standing*" with the Secretary of State's Office. The Company is current with these statutory requirements.

ANALYSIS:

Net One continues to be negligent in maintaining its current status with K.S.A. 66-1503. Below are Staff's ongoing attempts to make contact with Net One to correct this delinquency.

On March 3, 2015, Staff sent its "*First Notice of Outstanding Commission Assessment*" allowing the Company 15 days from the date of the Notice to remit payment of its outstanding assessment invoices. On March 19, 2015, Staff sent its "*Final Notice of Outstanding Commission Assessments*" to the Company allowing an additional 15 days from the date of the Notice in the attempt to get resolution of this delinquency. Both of Staff's Notices included copies of the unpaid invoices that could have been used to remit payment and reconcile the outstanding balance. Both Notices have gone unanswered.

In an effort to get the Company into compliance and avoid another Show Cause proceeding, Staff made an additional attempt by sending several follow-up emails to an alternative Company contact supplied by GVNW Consulting. On May 18, 2015, and again on June 4, 2015, emails were sent with copies of the invoices. Again, both follow-up email attempts have gone unanswered.

Commission Assessments are applied in accordance with K.S.A. 66-1503, which states:

The amount determined under subsection (a) shall be assessed by the commission against all public utilities and common carriers subject to the jurisdiction of the commission and shall not exceed, during any fiscal

year, the greater of \$100 or 0.2% of the respective utility's or common carrier's gross operating revenues derived from intrastate operation as reflected in the last annual report filed with the commission pursuant to K.S.A. 66-123...

Staff further advised the Company, in both Notices and follow-up emails, that failure to remit payment of the outstanding assessments with the Commission could result in Staff recommending the Commission open a show cause proceeding to impose penalties on the Company for failing to comply with the statute as authorized by K.S.A. 66-138. The Commission may assess a penalty of \$100 to \$5,000 for each such violation.

Online examination of records searched discloses that Net One has not filed for either Chapter 7 or Chapter 11 bankruptcy protection.

RECOMMENDATION:

As indicated above, Net One has failed to remit payment of its outstanding Commission Assessments. All attempts to make contact with Net One to correct the Company's non-compliance with K.S.A. 66-1503 have gone unanswered.

Therefore, Staff recommends the Commission revoke Net One's Certificate of Convenience and Authority the carrier currently holds.

Regarding the Company's reporting obligations to the KUSF, Staff recommends that if the Commission finds that Net One's Certificate should be canceled, the Commission should authorize GVNW Consulting to remove the Company's name from its active KUSF files.

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

NAME AND ADDRESS	NO. CERT. COPIES	NO. PLAIN COPIES
MICHAEL DUENES, LITIGATION COUNSEL KANSAS CORPORATION COMMISSION 1500 SW ARROWHEAD RD TOPEKA, KS 66604-4027 ***Hand Delivered***		
ATTN: TCS CORPORATE SERVICES OF KS INC, RESIDENT AGENT NET ONE INTERNATIONAL, INC. 2101 SW 21ST ST TOPEKA, KS 66604		
SANDRA WILLIAMS, TREASURER NET ONE INTERNATIONAL, INC. 457 SOUTH AVALON PARK BLVD ORLANDO, FL 32828-6997		

ORDER MAILED JUL 01 2015

The Docket Room hereby certified that on this ____ day of _____, 20____, it caused a true and correct copy of the attached ORDER to be deposited in the United States Mail, postage prepaid, and addressed to the above persons.