

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

In the Matter of a General Investigation of )  
TAG Mobile, LLC to Show Cause Why )  
This Commission Should Not Initiate ) Docket No. 16-TAGC-323-SHO  
Sanctions and Fines and Cancel, Suspend )  
and Revoke Any Authority the Carrier )  
Currently Holds. )

**STAFF'S RESPONSE TO TAG MOBILE, LLC'S PETITION FOR  
RECONSIDERATION**

The Staff of the Kansas Corporation Commission (Staff and Commission, respectively) hereby responds to TAG Mobile, LLC's (TAG or the Company) *Petition for Reconsideration* (PFR) of the Commission's January 14, 2016, Order issued in the above-captioned docket. In support of its response, Staff states as follows:

1. On January 14, 2016, the Commission issued an *Order to Show Cause* (Order) requiring TAG to show cause, within thirty (30) days of receipt of the Order, why it should not be subject to sanctions and fines and its ETC designation should not be cancelled, suspended and/or revoked. The Order also required the Kansas Universal Service Fund (KUSF) third-party administrator, GVNW Consulting, Inc. (GVNW) to immediately cease providing Lifeline support to TAG until the matters at issue in the docket are resolved and the Commission directs GVNW to resume payments.

2. On February 2, 2016, TAG petitioned the Commission for reconsideration of its Order and specifically the requirement for GVNW to cease providing Lifeline support to TAG until the matters in this docket are resolved. TAG argues that because it has not had an opportunity to respond to Staff's yet unproven allegations, termination of TAG's right to receive

KUSF Lifeline payments is inappropriate at this time. TAG stated it hopes to timely respond to the Commission's Order.

3. In addition, TAG stated that during the pendency of this docket, it voluntarily agrees to a process by which the Commission would direct GVNW to set aside any Lifeline payments due to TAG and hold them until the matter's final determination, to be paid to TAG, if at all, at such time - in whole or in part - depending on the outcome of the docket.

4. The Commission has a fiduciary duty to the KUSF and to protect the integrity of the Lifeline program and the KUSF.<sup>1</sup> Staff, therefore, believes the Commission appropriately directed GVNW to withhold payment of the Lifeline credits to TAG. To do otherwise would allow TAG to collect Lifeline credits that may not be appropriate and result in potential difficulties later if the Lifeline credits must be repaid by TAG.

5. Staff agrees that the Lifeline credits TAG reports to GVNW during the pendency of this docket should be tracked and held aside, as it were. This approach has been used in the past and, if the Commission determines that TAG should have received all or some of its reported Lifeline credits, starting with the month of December 2015, GVNW would be directed to pay those Lifeline credits to TAG.


6. As agreed to by TAG's counsel, Staff has already advised TAG personnel of the process that will be used to track the Company's reported Lifeline credits going forward, and TAG is working with Staff and GVNW on doing so.

**WHEREFORE**, for the reasons stated above, Staff respectfully requests the Commission grant TAG's petition for reconsideration to the extent that it specifically allows GVNW to keep track of and "set aside" any Lifeline support payments due to TAG, holding them until the final outcome of this docket is determined.

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<sup>1</sup> K.S.A. 66-2001; 2005(z)(3); 66-2006; 66-2008(d)(1).

Respectfully submitted,

A handwritten signature in blue ink that reads "Michael J. Duenes". The signature is fluid and cursive, with a horizontal line drawn underneath it.

Michael J. Duenes #26431  
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For Commission Staff

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) ss.

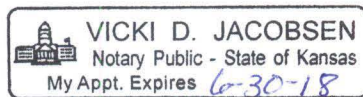
COUNTY OF SHAWNEE )

## VERIFICATION

Michael J. Duenes, of lawful age, being duly sworn upon his oath deposes and states that he is Litigation Counsel for the State Corporation Commission of the State of Kansas; that he has read and is familiar with the foregoing *Staff's Response to TAG Mobile, LLC's Petition for Reconsideration*, and attests that the statements therein are true and correct to the best of his knowledge, information and belief.

*Michael J. Duenes*  
Michael J. Duenes, S.Ct. #26431  
Litigation Counsel  
The State Corporation Commission  
of the State of Kansas

SUBSCRIBED AND SWORN to before me this 3rd day of February, 2016.



Vicki D. Jacobsen  
Notary Public

My appointment expires: June 30, 2018

**CERTIFICATE OF SERVICE**

16-TAGC-323-SHO

I, the undersigned, certify that a true and correct copy of the above and foregoing Staff's Response to Tag Mobile, LLC's Petition for Reconsideration was served via electronic service this 3rd day of February, 2016, to the following:

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/s/ Vicki Jacobsen

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Vicki Jacobsen