



C O N S U L T I N G

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September 19, 2017

Ms. Lynn M. Retz
Secretary to the Commission
Kansas Corporation Commission
1500 SW Arrowhead Road
Topeka, KS 66604-4027

RE: Docket No. 17-WSLC-019-KSF
*In the Matter of the Audit of New Cingular Wireless PCS, LLC dba AT&T Mobility by the
Kanas Universal Service Fund (KUSF) Administrator Pursuant to K.S.A 2015 Supp. 66-
2010(b) for KUSF Operating Year 19, Fiscal Year March 2015-February 2016*

Dear Ms. Retz:

On August 25, 2017, GVNW filed its Audit Report of AT&T Mobility that identified and detailed three (3) Audit Findings, applicable reporting standards, and GVNW's recommendations. The Audit Report referred two (2) attachments, A and B, that were inadvertently not included in GVNW's submittal.

Enclosed are Attachments A and B that are to be included as part of GVNW's AT&T Mobility Audit Report.

GVNW apologizes for any inconvenience.

Sincerely,

David Winter
Senior Consultant

cc w/encl: Sandy Reams
DW/dc – Encl.

CERTIFICATE OF SERVICE

I hereby certify that on this 19th day of September 2017, the above Kansas Universal Service Fund Audit Report was e-filed with the Kansas Corporation Commission and a copy was sent via electronic mail and/or U.S. Mail to:

Kansas Corporation Commission
1500 S.W. Arrowhead Road
Topeka, KS 66604

Otto Newton, Litigation Counsel
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Tiffany R. Porter
AT&T Services, Inc.
Senior Accountant
Global Tax Controversy – Transaction Tax Audits
1010 N. Saint Mary's, 9-O-52
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A handwritten signature in black ink, appearing to read 'D. Winter', is written over a horizontal line.

David G. Winter

KUSF Carrier Audit Information Request

Docket No. 17-WSLC-019-KSF

Attachment A

Page 1 of 2

Request No. 7

Submitted By: David Winter

Submitted To: Tiffany Porter

Company Name: New Cingular Wireless PCS LLC dba AT&T Mobility

Docket Number: 17-WSLC-019-KSF

Request Date: March 23, 2017

Date Information Needed: April 5, 2017

RE: Discounts

Please provide the following information:

- a. Confirm that AT&T Mobility reported revenues to the KUSF net of discounts.
 - Yes, except for promotional awards given after the fact, which are not connected to the service.
- b. If yes, are the discounts associated with a purchased service or services that are comprised completely of KUSF assessable services?
 - Yes, there are discounts specifically associated with assessable service which are included in the filing.
- c. When KUSF assessable services are bundled with non-assessable services, how does AT&T Mobility report the assessable service revenue and associated discount to the KUSF?
 - Generally, bundled services net of discounts are not unbundled and, therefore, are taxed/reported in full. There are a few Mobile Select Plans in a very small area where the revenue and associated discounts (very small amounts) are allocated between the service types based on marketing studies.
- d. Does AT&T Mobility offer 90-day promotional discounts? If yes, were these discounts "netted" against KUSF reportable revenues only for the initial 90-day period, after which, the full service revenue were reported?
 - No
- e. If AT&T Mobility did report revenue net discounts to the KUSF: provide by month for period March 2015 through September 2015 the revenues associated with the discounts not reported to the KUSF. This should also include the intrastate factor for the aforementioned period.
 - As discussed, due to the minimal impact of the average dollar amount of the three month sample (\$112.37) an projection can be completed.

NOTE: If for some reason, the above information cannot be provided by the date requested, please provide a written explanation of those reasons.

KUSF Carrier Audit Information Request

Docket No. 17-WSLC-019-KSF

Attachment A

Page 2 of 2

Request No. 7

Verification of Response

I have read the foregoing Data Request and answer(s) thereto and find answer(s) to be true, accurate, full and complete and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to GVNW's auditor any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Data Request.

Signed: Tiffany Porter

Date: 08/08/2017

Docket No. 17-WSLC-019-KSF

Attachment B

Page 1 of 2

KUSF Carrier Audit Information Request**Request No. 10****Submitted By:** David Winter**Submitted To:** Tiffany Porter**Company Name:** New Cingular Wireless PCS LLC dba AT&T Mobility**Docket Number:** 17-WSLC-019-KSF**Request Date:** August 4, 2017, 2017**Date Information Needed:** August 14, 2017**RE:** Revenues Reported to the KUSF

Please provide the following information:

- a. Please confirm that AT&T Mobility is reporting calculated revenues to the KUSF on a monthly basis, determined by dividing the assessments collected from customers by the assessment rate.

Yes, the actual intrastate revenue reported is derived by dividing the sum of 1) KUSF amounts billed to the customer and 2) KUSF amounts owed that are not billed to the customer, divided by the KUSF assessment rate.

- b. Please outline why AT&T Mobility uses the KUSF reporting methodology outlined in part a. above.

The above methodology of calculating intrastate retail revenue based on the associated KUSF remittance amount is a common approach used by software applications in the creation of transaction tax returns. However, each of AT&T Mobility's upstream billing systems are set up to identify actual KS intrastate retail revenue on which KUSF amounts are billed and/or calculated. These KUSF assessment amounts are recorded in the books and records and are reconciled to tax remittances. Therefore, dividing the KUSF amounts by the KUSF assessment rate produces the actual intrastate retail revenue identified in the upstream systems. This simplified approach is needed as AT&T's revenue is not broken down in the general ledger or other reporting systems in sufficient detail to determine taxing jurisdiction, exemptions, taxable service, etc.

NOTE: If for some reason, the above information cannot be provided by the date requested, please provide a written explanation of those reasons.

Verification of Response

Docket No. 17-WSLC-019-KSF

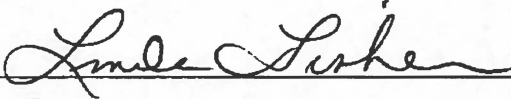
Attachment B

Page 2 of 2

KUSF Carrier Audit Information Request**Request No. 10**

I have read the foregoing Data Request and answer(s) thereto and find answer(s) to be true, accurate, full and complete and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to GVNW's auditor any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Data Request.

Signed: _____



Date: _____

8-9-2017