

THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

Before Commissioners: Andrew J. French, Chairperson
 Dwight D. Keen
 Susan K. Duffy

In the Matter of the Audit of Sprint)
Communications Company LP by the)
Kansas Universal Service Fund (KUSF)) Docket No. 21-SCCC-065-KSF
Administrator Pursuant to K.S.A. 66-2010(b))
for KUSF Operating Year 23, Fiscal Year)
March 2019-February 2020.)

ORDER ADOPTING AUDIT REPORT

The above-captioned matter comes before the State Corporation Commission of the State of Kansas (Commission) for consideration and determination. Having examined its files and record, and being duly advised in the premises, the Commission finds and concludes as follows:

1. On August 18, 2020, the Commission directed GVNW Consulting, Inc. (GVNW) to perform an audit of Sprint Communications Company LP (hereinafter referred to as “Sprint Communications”) for Kansas Universal Service Fund (KUSF) purposes.

2. On June 15, 2021, GVNW filed its Audit Report making two findings for Sprint Communications in Operating Year 23.¹ The GVNW Audit Report findings are as follows:

Audit Finding No. 1:

Sprint Communications combined the KUSF surcharge with other states’ Universal Service Fund surcharges;

Audit Finding No. 2:

Sprint Communications under-reported its revenue and under-paid its assessments for January and February 2018, resulting in additional amount of \$510.20 owed to the KUSF.

¹ Kansas Universal Service Fund Audit Report, Docket No. 21-SCCC-065-KSF (April 30, 2021).

3. The Commission finds the GVNW Audit Report to be thorough and complete and accepts it as filed. The Audit Report provides a detailed analysis to support the GVNW findings. It recommends Sprint Communications separately identify the KUSF surcharge on the subscriber's bill. It proposes Sprint Communications files an affidavit of a corporate officer attesting to the completion of a billing system update to include a line item charge for the KUSF and the date the change was made. It supports Sprint Communications providing ten copies of customer bills to demonstrate the inclusion of the KUSF surcharge as a separate line item. It also proposes to have Sprint Communications directed to take action within 60 days of the issuance of this Order. The Commission now addresses the GVNW recommendations.

4. Sprint Communications was a provider of domestic and international wireline data, competitive local exchange services, long distance and Session Initiation Protocol Trunk for trucking services in Kansas. It currently provides service as an interconnected Voice over Internet Protocol. It collects KUSF assessments from its Kansas customers. It is required to report revenue and pay related assessments to the KUSF on a monthly basis. Sprint Communications is not designated as an Eligible Telecommunications Carrier and does not offer Lifeline service to its customers. In determining revenue for KUSF purposes, Sprint Communications reports revenue and makes assessments based on the stand-alone price of unbundled services. It also used the same approach for Federal Universal Service Fund purposes.

5. Audit Finding No. 1 indicates Sprint Communications did not clearly identify the KUSF surcharge as a separate item on the subscriber's bill, but instead combined the KUSF surcharge with a line item related to other states' Universal Service Fund surcharges. Communications providers are required to break out charges on a customer's bill to allow them to

be itemized and clearly identified.² Sprint Communications has indicated it has modified its billing system to enable it to separately identify the KUSF surcharge on a customer's bill. GVNW recommends Sprint Communications file an affidavit signed by a corporate officer attesting to the billing system changes it has made to permit the KUSF surcharge to be set forth as a separate item on its billing statements and the date on which the billing system changes became complete. GVNW also advises Sprint Communications be directed to provide 10 copies of customer bills for GVNW to review in order that it may confirm the KUSF surcharge has been broken out as a separate billing item. GVNW proposes to have Sprint Communications take action to comply with the recommendations within 60 days of the issuance of this Order.

6. Audit Finding No. 2 relates to Sprint Communications under reporting revenue to the KUSF for January and February 2018. GVNW identified a variance in revenues Sprint Communications reported in its Carrier Remittance Worksheets (CRWs) for January through December 2018 and the revenue it reported in its 2018 Annual Interrogatory. Sprint Communications identified it had not reported all revenues to the KUSF in January and February 2018 and submitted revised CRWs on May 19, 2021, showing an additional \$510.20 was owed to the KUSF as a result of the under-reporting. Because Sprint Communications has a credit balance on its KUSF account, the additional amount owed may be applied against its credit balance to satisfy the Audit Finding.

7. The Commission adopts the recommendations of GVNW in its Audit Report and Finding Nos. 1 and 2. Sprint Communications shall separately identify the KUSF surcharge on

² Second Report and Order, Declaratory Ruling and Second Further Notice of Proposed Rulemaking, Federal Communications Commission (FCC), CC Docket No. 98-170, CG Docket No. 04-208, March 10, 2005 (FCC Second Order). The FCC removed the exemption of Commercial Mobile Radio Service from its Truth In Billing Standards (47 CFR 64.2401). Section 64.2401(b) states, in part, "Charges contained on telephone bills must be accompanied by a brief, clear, non-misleading plain language description of the service or services rendered."

the customer's bill. It shall file an affidavit of a corporate officer attesting to the completion of its billing system upgrades to include a line item charge for the KUSF and report the date the billing system was updated. To confirm the billing system changes, Sprint Communications is directed to provide GVNW with ten customer bills to show that the KUSF surcharge had been separately broken out. Sprint Communications shall complete these actions within 60 days of the issuance of this Order. GVNW then shall file a Compliance Report within 90 days of the issuance of this Order to confirm Sprint has completed the actions directed by the Commission. Additionally, the \$510.20 owed to the KUSF by Sprint Communications may be applied to its credit balance.

IT IS THEREFORE, BY THE COMMISSION ORDERED THAT:

A. The Commission accepts and adopts GVNW Consulting, Inc.'s Audit Report filed June 15, 2021.

B. Sprint Communications Company LP shall separately identify the KUSF surcharge on the customer's bill. It shall file an affidavit of a corporate officer attesting to the completion of its billing system upgrades to include a line item charge for the KUSF and report the date the billing system was updated. To confirm the billing system changes, Sprint Communications shall provide GVNW with ten customer bills to show that the KUSF surcharge had been separately broken out. Sprint Communications shall complete these actions within 60 days of the issuance of this Order.

C. GVNW Consulting, Inc., shall file a Compliance Report once Sprint Communications Company LP has addressed the requirements of this Order, but no later than 90 days from this Order.

D. The \$510.20 owed by Sprint Communications Company LP to the KUSF may be applied against its KUSF credit balance.

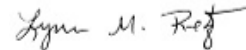
E. Any party may file and serve a petition for reconsideration pursuant to the requirements and time limits established by K.S.A. 77-529(a)(1).³

F. The Commission retains jurisdiction over the subject matter and parties for the purpose of entering such further orders as it may deem necessary.

BY THE COMMISSION IT IS SO ORDERED.

French, Chairperson; Keen, Commissioner; Duffy, Commissioner

Dated: 06/24/2021



Lynn M. Retz
Executive Director

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

CERTIFICATE OF SERVICE

21-SCCC-065-KSF

I, the undersigned, certify that a true copy of the attached Order has been served to the following by means of electronic service on 06/24/2021.

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/S/ DeeAnn Shupe

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