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June 1, 2017

Amy L. Green Secretary to the Commission Kansas Corporation Commission 1500 SW Arrowhead Road Topeka, Kansas 66604-4027

Re: KCC Docket No. 17-SWBT-158-MIS

Dear Ms. Green:

Attached you will find Southwestern Bell Telephone Company d/b/a AT&T Kansas, Reply to Staff's Response to AT&T Kansas' Response regarding Staff's Second Report and Recommendation for electronic filing in the above referenced docket.

Sincerely,

Bruce A. Ney AVP - Senior Legal Counsel

Attachment

cc: Parties of Record

### BEFORE THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS

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In the Matter of the Application of Southwestern Bell Telephone Company d/b/a AT&T Kansas for an Order Confirming Relinquishment of Its Eligible Telecommunications Carrier Designation in Specified Areas, and Notice Pursuant to K.S.A. 2015 Supp. 66-2006(d) of Intent to Cease Participation in the Kansas Lifeline Services Program.

Docket No. 17-SWBT-158-MIS

#### AT&T KANSAS' REPLY TO STAFF'S RESPONSE TO AT&T KANSAS' RESPONSE TO STAFF'S SECOND REPORT AND RECOMMENDATION

Southwestern Bell Telephone Company d/b/a AT&T Kansas ("AT&T Kansas")

respectfully submits its Reply to Staff's Response ("Staff Response") to AT&T Kansas'

Response regarding Staff's Second Report and Recommendation ("Second Report").

### **INTRODUCTION**

1. Staff concedes that every wire center in the relinquishment area is served by at

least two ETCs other than AT&T Kansas. Second Report at 6. That fact alone is dispositive,

because the presence of another ETC is the only test AT&T Kansas must meet under federal law

to relinquish its ETC status. 47 U.S.C. § 214(e)(4). Seven other state commissions (and

counting) have approved ETC relinquishment for AT&T ILECs based on AT&T's satisfaction of

this test.<sup>1</sup> Here, however, Staff wants the Commission to craft its own test – one that is at odds

<sup>&</sup>lt;sup>1</sup> In addition to the seven state commissions, the North Carolina Public Staff recently recommended approving AT&T North Carolina's ETC relinquishment. Comments of the Public Staff, *Petition of AT&T North Carolina for Order Confirming Relinquishment of Eligible Telecommunications Carrier Designation in Specified Areas* Docket No. P-100, Sub 133C (N. C. Utils. Comm'n, filed May 26, 2017). The seven states that have already approved relinquishment are as follows. Commission Order, *Petition of BellSouth Telecommunications, LLC d/b/a AT&T South Carolina for Order Confirming Relinquishment of Eligible Telecommunications Carrier Designation in Specified Areas*, Docket No. 2017-109-C (S.C. P.S.C. May 3, 2017) ("South Carolina Relinquishment Order"); Order Confirming AT&T Mississippi's Relinquishment of its Eligible Telecommunications Carrier Designation in Specified Areas, *In re Verified Petition of AT&T Mississippi for an Order Confirming Relinquishment of its Eligible Telecommunications Carrier Designation in Specified Areas*, Docket No. 2016-UA-213 (Miss. P.S.C. Apr. 13, 2017) ("*Mississippi Relinquishment Order*"); Order Confirming AT&T Tennessee's Relinquishment of Its Eligible Telecommunications Carrier Designation in Specified Areas, *In re Verified Petition in Specified Areas*, *In re Verified Petition of Its Eligible Telecommunications Carrier Designation in Specified Areas*, Nocket No. 2016-UA-213 (Miss. P.S.C. Apr. 13, 2017) ("*Mississippi Relinquishment Order*"); Order Confirming AT&T Tennessee's Relinquishment of Its Eligible Telecommunications Carrier Designation in Specified Areas, *In re Verified Petition of AT&T Tennessee for an Order Confirming Relinquishment of its Eligible Telecommunications Carrier Designation in Specified Areas*, Docket No. 16-00123, at 4 (Tenn. Reg. Auth. Mar. 24, 2017) ("*Tennessee Relinquishment Order*"); Final Decision,

with federal law, at odds with the decisions of every other state to consider AT&T's relinquishment, at odds with the Commission's own prior relinquishment decisions, and at odds with Kansas state law.

2. Fundamentally, Staff contends that the federal relinquishment standard requires a "type-by-type" match of other ETCs when determining the presence of other ETCs serving the relinquishment area, and that AT&T Kansas should be forced to remain a "high-cost" ETC (one with a duty to serve non-Lifeline customers) in 932 of the 116,282 census blocks in the relinquishment area, because no other "high-cost" ETCs serve those census blocks. Section 214(e)(4), however, does not require "type-by-type" matching of ETCs, and the Commission is not free to amend federal law or make its own relinquishment test.

3. Moreover, Staff's alleged concern rests on unfounded speculation that some non-Lifeline customers in the 932 census blocks could be left without voice service. There is no risk of that. AT&T Kansas has emphasized multiple times that its ETC relinquishment will have no impact on the AT&T Kansas legacy voice services available to those customers today (AT&T Kansas Response,  $\P\P$  6, 15), and the record that Staff itself developed shows that the remaining ETCs are able and willing to serve all of AT&T Kansas' non-Lifeline customers in the 932 census blocks. *Id.*,  $\P$  18 & n.10. Put simply, Staff is trying to solve a problem that does not exist.

Request by Wisconsin Bell, Inc. d/b/a AT&T Wisconsin, to Relinquish its Status as an Eligible Telecommunication Carriers in Certain Parts of its Service Territory, Docket No. 6720-TI-225 (Wis. P.S.C. March 13, 2017) ("Wisconsin Relinquishment Order"); Order, In re Implementation of the Universal Service Requirements of Section 254 of the Telecommunications Act of 1996, Docket No. 25980 (Ala. P.S.C. March 9, 2017) ("Alabama Relinquishment Order"); Final Order Granting Relinquishment of ETC Designation, Application of Southwestern Bell Tel. Co. for Order Confirming Relinquishment of Eligible Telecommunications Carrier Designation, Order No. 66136, Cause No. PUD 201600455 (Okl. Corp. Comm'n, Feb. 22, 2017) ("Oklahoma Relinquishment Order"); In the Matter of Southwestern Bell Telephone Company, d/b/a AT&T Missouri's Notice of Relinquishment of its Eligible Telecommunications Carrier Designation Pursuant to 47 U.S.C. § 214(e)(4) and Notice of Withdrawal From State Lifeline and Disabled Programs, File No. IO-2017-0132 (Mo. P.S.C., Jan. 11, 2017) ("Missouri Relinquishment Order").

4. Before rebutting Staff's specific arguments, it also helps to put matters in perspective. Staff concedes that AT&T Kansas can relinquish its ETC obligation to provide a Lifeline discount throughout the relinquishment area. Second Report at 6. Thus, the only customers being discussed here are *non-Lifeline* customers in the 932 census blocks, which comprise a small number in a small area. In 129 of the 932 census blocks there are no housing units at all (and no AT&T Kansas customers) and many of those census blocks contain parks and golf courses and the like. See Ex. 1 hereto (maps depicting the 932 census blocks). AT&T Kansas has non-Lifeline customers in only 408 of the 932 census blocks (less than 0.4% of the total census blocks in the relinquishment area), and in those 408 census blocks AT&T Kansas serves just 1,156 non-Lifeline lines – a number that continues to shrink. Id.; AT&T Response, ¶ 6. Because AT&T Kansas will not be discontinuing any legacy voice service as a result of its ETC relinquishment, those customers will experience *no change whatsoever* in their current legacy voice service. Furthermore, if any of those customers decides to switch to another carrier they will have multiple competitors to choose from, including at least two other ETCs in each of the exchanges in which the 932 census blocks are located. Second Report at 6.

5. In short, Staff would have the Commission ignore these facts to rewrite federal law and depart from seven other state commissions in order to force AT&T Kansas to retain a high-cost ETC obligation for a very small number of non-Lifeline customers in a very small number of exchanges, none of whom are at any risk of losing access to legacy voice service as a result of AT&T Kansas' ETC relinquishment. The Commission should reject Staff's position and grant AT&T Kansas' requested ETC relinquishment as filed.

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#### ARGUMENT

### I. It is Undisputed That Each of the Exchanges at Issue Is Served By Multiple Other ETCs, Which Is All Federal Law Requires

6. The only requirement for ETC relinquishment is that the relinquishment area be served by another ETC. 47 U.S.C. § 214(e)(4).<sup>2</sup> Staff concedes that every exchange containing the census blocks at issue is served by at least two ETCs other than AT&T Kansas. Second Report at 6. That should be the end of the matter. Staff, however, contends that the FCC effectively amended the relinquishment standard in its 2016 *Lifeline Modernization Order*,<sup>3</sup> which stated that an ETC is "allow[ed]" to relinquish its ETC status on an obligation-specific basis (*e.g.*, to relinquish just its Lifeline obligation but keep its high-cost ETC obligation, if that is what the ETC chooses to do). Staff Response,  $\P$  6-12. Staff improperly attempts to interpret this flexibility *provided to ETCs* as granting authority to state commissions to deny or limit an ETC's request for relinquishment depending on the "type" of other ETCs serving an area. *Id*.

7. Staff's theory conflicts with federal law. Section 214(e)(4) and FCC rule 47 C.F.R. § 54.205(a) provide that a state commission "shall permit" a carrier to relinquish its ETC status for "any area" served by another ETC. That federal standard is both objective and binding. Neither Congress nor the FCC amended those governing provisions to make a carrier's right to relinquish depend on the type of ETC obligations of the other ETC serving the area at issue, and state commissions are not free to read their own exceptions or modifications into

<sup>&</sup>lt;sup>2</sup> Staff has recognized in the past that the presence of another ETC is the sole test for a carrier to relinquish its ETC status. Order Granting Relinquishment of Eligible Telecommunications Carrier Designation, In the Matter of Alltel Communications, LLC Notice of Relinquishment of its Designation as an Eligible Telecommunications Carrier, Docket No. 13-ALTC-212-ETC, ¶ 5 (Oct. 19, 2012); Order Granting the Request of Sprint PCS for Relinquishment of ETC Status, In the Matter of Sprint Spectrum, L.P. d/b/a Sprint PCS Notice of Relinquishment of Designation as an Eligible Telecommunications Carrier, Docket No. 11-SSLZ-316-ETC, ¶ 7 (Dec. 17, 2010).

<sup>&</sup>lt;sup>3</sup> Lifeline and Link-Up Reform and Modernization, 31 FCC Rcd. 3962, ¶ 334 (rel. Apr. 27, 2016).

federal law.<sup>4</sup> Just as the decision to become an ETC rests with the carrier, so too does the decision on how and when to relinquish ETC status when at least one other ETC is present.

8. Moreover, Staff misunderstands what the FCC said in the Lifeline Modernization Order. The FCC simply made the point that because carriers now can obtain ETC designations on an obligation-specific basis (e.g., for Lifeline only), those carriers likewise have the option to relinquish their ETC status on an obligation-specific basis. As the FCC put it, carriers are now "allow[ed]" to relinquish ETC designations only for specific obligations, and therefore are "free to seek" relinquishment for specific purposes only. Lifeline Modernization Order, ¶ 334. But the FCC said nothing to suggest that state commissions have any authority to limit the scope of relinquishment. Thus, the fact that a carrier is "free to seek" to limit its ETC relinquishment to specific obligations does not mean a state commission can deny or limit full relinquishment when a carrier asks for it and meets the straightforward test of Section 214(e)(4). Again, the carrier gets to decide what sort of an ETC it wants to be and, when another ETC is present, which ETC obligations it wants to relinquish. A state commission has no authority to make that choice for them.

9. Staff also cites the FCC's 2015 ETC Forbearance Order<sup>5</sup> for its theory that state commissions can rewrite Section 214(e)(4) to limit relinquishment based on the specific "types" of other ETCs serving an area. Staff Response,  $\P$  9. But that order said nothing about authorizing state commissions to deny or limit relinquishment even when another ETC is serving

<sup>&</sup>lt;sup>4</sup> AT&T Corp. v. Iowa Utils. Bd., 525 U.S. 366, 378-79 n.6 (1998) (when implementing federal telecommunications law, state commissions "must hew" to the lines drawn by Congress and the FCC); United States v. Sturm, 673 F.3d 1274, 1279 (10th Cir. 2012) (decision makers must "ordinarily resist reading words or elements into a statute that does not appear on its face").

<sup>&</sup>lt;sup>5</sup> Petition of USTelecom for Forbearance Pursuant to 47 U.S.C. § 160(c) from Enforcement of Obsolete ILEC Legacy Regulations That Inhibit Deployment of Next-Generation Networks, 31 FCC Rcd. 6157, ¶ 111 (2015).

an area. All the FCC said in the cited paragraph was that state commissions can conduct a "sufficiently granular" analysis of carriers and their practical ability to ensure that customers in the relinquishment area "will continue to be served" after relinquishment. As shown in AT&T Kansas' Response and discussed in detail below, the facts demonstrate that all customers in the relinquishment area will continue to be served.<sup>6</sup>

#### II. All Customers in the Exchanges at Issue "Will Continue to Be Served"

10. Most of Staff's Response focuses on the language in Section 214(e)(4) providing that before granting relinquishment a state commission must ensure that customers in the relinquishment area "will continue to be served."<sup>7</sup> But that is not a concern here, for several reasons:

- AT&T Kansas will continue to provide legacy voice service to non-Lifeline customers throughout the relinquishment area, which means that no non-Lifeline customers will lose voice service as a result of relinquishment.<sup>8</sup>
- As a common carrier of legacy voice service under 47 U.S.C. §§ 201-202, AT&T Kansas could not discontinue legacy voice service in the future without

<sup>&</sup>lt;sup>6</sup> Staff's references to other FCC decisions are similarly unpersuasive. For example, Staff cites an FCC decision from the so-called Mobility Fund Phase I proceeding, where the FCC concluded that Lifeline-only ETCs must obtain a full ETC designation in order to participate. Staff Response, ¶ 13. That decision is irrelevant here. With Mobility Fund Phase I, ETCs were committing to construct wireless infrastructure to provide wireless service in previously unserved areas. Here, AT&T Kansas already is providing service and, as discussed below, will continue to do so throughout the relinquishment area.

<sup>&</sup>lt;sup>7</sup> Staff contends that a finding that customers in the relinquishment area "will continue to be served" is a "condition precedent" to granting relinquishment. Staff Response,  $\P$  4. That is misleading. While Section 214(e)(4) does direct state commissions to ensure that customers in the relinquishment area will continue to be served, that is an obligation for *the state commission* to fulfill once the applicant meets the relinquishment test by showing another ETC serves the area at issue. It is not a "condition precedent" that would allow a state commission to deny relinquishment even when another ETC is present.

<sup>&</sup>lt;sup>8</sup> Staff seems to view AT&T's ETC relinquishment as the discontinuation of some undefined "service" in portions of Kansas, but once again Staff is mistaken. Because neither legacy voice service nor any other service in Kansas will be discontinued as a result of AT&T's relinquishment, Staff's "continuation of service" concerns simply have no place in this proceeding.

demonstrating to the FCC that doing so is in the public interest, in a proceeding under 47 U.S.C. § 214(a) where the Commission would have notice and an opportunity to be heard.

- Every other ETC serving the exchanges that contain the 932 census blocks likewise has a common-carrier legal obligation under Sections 201-202.<sup>9</sup>
  Moreover, the remaining ETCs' responses to Staff's discovery confirm that they are ready, willing, and able to serve any non-Lifeline customers that choose to leave AT&T Kansas.
- 80 percent of the 932 census blocks and 89 percent of the 1,156 lines served in those 932 census blocks are in the Topeka and Wichita metropolitan exchanges (AT&T Kansas Response, ¶ 6; Ex. 1 hereto (maps); Ex. 2 hereto (customer analysis location chart)). That means those census blocks and consumers are likely served by even more competitors, thus giving consumers even more options.

Staff cannot dispute these facts, so it either ignores or attempts to discount them.
Staff's arguments, however, have no legal or factual merit.

#### A. AT&T Kansas Will Continue to Provide Legacy Voice Service Throughout the Relinquishment Area

12. Staff contends that AT&T Kansas' continued provision of voice service to non-Lifeline customers is a "red herring" because the only question is the ability of the remaining ETCs to serve those customers. Staff Response, ¶ 14. But that is the equivalent of an ostrich burying its head in the sand. The manifest intent of the second sentence of Section 214(e)(4) is

<sup>&</sup>lt;sup>9</sup> Wireless ETCs could not discontinue voice service without FCC permission under Section 214(a), but wireless carriers do not require such permission.

to ensure that customers "will continue to be served." There could be no better assurance of continued service than the fact that AT&T Kansas will continue to provide the same legacy voice service to the same non-Lifeline customers that it provides today. There is literally *no* risk that *any* AT&T Kansas customer in the 408 census blocks (non-Lifeline or Lifeline) will lose legacy voice service as a result of relinquishment. Staff and the Commission have relied on continued service by the relinquishing ETC as a factor in granting prior relinquishment requests, and it is no less relevant here.<sup>10</sup> Thus, AT&T Kansas' continuation of its legacy voice service is not a "red herring"; rather, it ensures exactly what Congress wanted to ensure.

13. More to the point, Staff is misreading the portion of Section 214(e)(4) that discusses whether the remaining ETCs have sufficient capacity to serve the relinquishing ETC's customers. That language contemplates a situation where the relinquishing ETC is discontinuing service altogether. That is most definitely not the case here, which means Staff's focus on the remaining ETCs alone is too narrow, as other state commissions have recognized.<sup>11</sup>

14. Staff also contends that the test in 47 U.S.C. § 214(a), which AT&T Kansas would have to meet before it could discontinue legacy voice service in the future, is different from the relinquishment test in Section 214(e)(4). Staff Response,  $\P\P$  14-16. That is true, but the difference does not help Staff's position here. The multi-part discontinuance test in Section

<sup>&</sup>lt;sup>10</sup> Order Granting Relinquishment of Eligible Telecommunications Carrier Designation, *In the Matter of Alltel Communications, LLC Notice of Relinquishment of its Designation as an Eligible Telecommunications Carrier*, Docket No. 13-ALTC-212-ETC, ¶¶ 4-6 (Oct. 19, 2012) (noting that Alltel would continue to provide voice service on a non-ETC basis in the relinquishment area); Order Granting the Request of Sprint PCS for Relinquishment of ETC Status, *In the Matter of Sprint Spectrum, L.P. d/b/a Sprint PCS Notice of Relinquishment of Designation as an Eligible Telecommunications Carrier*, Docket No. 11-SSLZ-316-ETC, ¶¶ 6-7 (Dec. 17, 2010) (noting that there were a sufficient number of ETCs available to serve the Lifeline customers in the relinquishment area, "including Sprint PCS, but not as an ETC").

<sup>&</sup>lt;sup>11</sup> See Tennessee Relinquishment Order at 4 (the second sentence of Section 214(e)(4) is "not applicable" where AT&T will continue providing the same services after relinquishment); *Mississippi Relinquishment Order* at 4 (same); Comments of the Public Staff, *Petition of AT&T North Carolina for Order Confirming Relinquishment of Eligible Telecommunications Carrier Designation in Specified Areas* Docket No. P-100, Sub 133C, at ¶ 15 n.2 (N. C. Utils. Comm'n, filed May 26, 2017) (same).

214(a) is subject to a public-interest analysis and, possibly, FCC-imposed conditions. *See* AT&T Kansas Response, ¶¶ 16-17. Staff hypothesizes that at some point in the future the FCC could rubber-stamp an AT&T Kansas request to discontinue legacy voice service in the 932 census blocks, even if there were no remaining providers in some census blocks. Staff Reply, ¶ 16. That argument, however, overlooks the Section 214(a) requirement to ensure that "neither the present nor future public convenience and necessity will be adversely affected" by a proposed discontinuance of service. Under this test, the FCC could never grant such a request without ensuring there was at least one voice provider remaining for existing customers.

15. Furthermore, in the highly unlikely event the FCC ever faces a circumstance where no provider is willing to offer voice service in an area, it will have flexibility under Section 214 to craft a remedy appropriate to the circumstances present at that time. That might include, for example, extending financial incentives to a provider (or providers) other than AT&T Kansas to provide voice service. <sup>12</sup> Staff, however, would prejudge the matter by forcing AT&T Kansas to serve as the *de facto* carrier of last resort.

16. In that regard, Staff's argument also is contrary to Kansas law. In 2013, the Kansas legislature relieved AT&T Kansas of its state carrier of last resort ("COLR") obligations in recognition of the irreversible, competitive changes in the Kansas telecommunications market.<sup>13</sup> The legislature, as a matter of public policy, freed AT&T Kansas, as an electing carrier, from state law COLR and other burdensome regulations so it could compete on the same

<sup>&</sup>lt;sup>12</sup> It is also worth noting that, under Section 214(e)(3), if there ever arose a circumstance where a Kansas community was left unserved, the FCC and/or this Commission would be empowered to "determine which common carrier or carriers are best able to provide such service to the requesting unserved community or portion thereof and shall order such carrier or carriers to provide such service for that unserved community or portion thereof." Plainly, there are some powerful tools in the regulatory toolbox to deal with unserved areas, should any ever arise. But – and this point is key here – those tools are not available to either the FCC or this Commission unless and until an area is found to be unserved. That circumstance clearly is not present here.

<sup>&</sup>lt;sup>13</sup> K.S.A. 2015 Supp. 66-2005(z); Kansas House Bill 2201 (2013).

terms with other telecommunications providers and technologies in its exchanges. Staff's interpretation of the federal relinquishment test in this proceeding would have the Commission turn its back on these state-law policy changes enacted by the legislature and, in the 932 census blocks, force AT&T Kansas to once again "stand ready" as a *de facto* COLR. Neither the Staff nor the Commission, however, can turn back the clock on state law in that manner.

#### B. The Remaining ETCs Can Readily Serve Any Non-Lifeline Customers in the 932 Census Blocks That Leave AT&T Kansas

17. Staff next contends that the common-carrier obligations of the wireline ETCs serving the 932 census blocks to provide voice service to non-Lifeline customers on reasonable request are a "red herring." Staff Response, ¶¶ 18-19. That position makes no sense if the question is, as Staff puts it "whether there are alternative ETCs that are able to ensure that all customers will continue to be served." Staff Reply, ¶ 19. The federal common-carrier obligations require the other ETCs (which are, by definition, common carriers) to provide voice service to non-Lifeline customers upon reasonable request throughout their service areas. 47 U.S.C. §§ 201-202. And like AT&T Kansas, wireline ETCs could not discontinue providing legacy voice service unless and until they received permission from the FCC under Section 214(a).

18. Even more importantly, the remaining ETCs' responses to Staff's own discovery request 12(e) – which specifically asked all the Lifeline-only ETCs whether they would be able to serve AT&T Kansas' non-Lifeline voice customers after relinquishment – confirm that those carriers are ready, willing, and able to serve any non-Lifeline customers who may leave AT&T Kansas.<sup>14</sup> AT&T Kansas Response, ¶ 18 & n.10 (summarizing Lifeline-only ETCs' responses to

<sup>&</sup>lt;sup>14</sup> Staff discovery request 12(e) asked all the Lifeline-only ETCs serving in the relinquishment area, including those serving the 932 census blocks at issue, "[W]ould your company be able to ensure that all non-Lifeline customers served by AT&T would continue to be served if the Commission grants AT&T's request"?

Staff discovery request 12(e), which are included in Ex.3 to Staff's Second Report). Given those ETCs' responses, the Commission can be confident that any non-Lifeline customers in the 932 census blocks that choose to leave AT&T Kansas will retain ample access to voice service.<sup>15</sup>

#### C. The FCC's 2015 Forbearance Decision Has No Bearing Here

19. Finally, Staff contends that the FCC already ruled in the 2015 ETC Forbearance Order that there are not sufficient alternative providers in the 932 census blocks to allow AT&T Kansas to relinquish its high-cost ETC obligation. Staff Response,  $\P$  17, 20-21. But the FCC never said that. To the contrary, the FCC made clear that it was denying forbearance precisely because it wanted to leave it to state commissions to apply Section 214(e)(4) in individual relinquishment cases. 2015 ETC Forbearance Order,  $\P$  112-13. It did not in any way prejudge or foreclose any such future state-specific relinquishment requests.

20. AT&T Kansas is following the path prescribed by the FCC, and AT&T Kansas and Staff have presented all the relevant facts for this relinquishment request. Those facts show that (i) every exchange in the relinquishment area is served by at least two ETCs other than AT&T Kansas (including the exchanges that contain the 932 census blocks), and (ii) there is absolutely no risk that customers in the relinquishment area (including the 932 census blocks) will not continue to be served. Staff cannot ask the Commission to abdicate its responsibility to consider the undisputed record evidence. Accordingly, federal law requires that the Commission "shall permit" relinquishment, and the Commission should grant AT&T Kansas' Application, as seven other states already have done.

<sup>&</sup>lt;sup>15</sup> The Commission recently allowed Budget Prepay to relinquish its ETC designation in Docket 17-BG PT-461-ETC. Staff listed Budget Prepay as one of the ETCs in the relinquishment area in Exhibit 2 to the Second Report, but AT&T Kansas had already removed Budget Prepay as an ETC in the amended Exhibit C to its Application, filed on December 21, 2016. In any event, Budget Prepay was not the only other ETC in any of the 24 exchanges that contain the 932 census blocks. *See* Second Report, Ex. 2.

### **CONCLUSION**

21. For all the reasons stated, the Commission should grant AT&T Kansas'

Application as filed.

22. AT&T Kansas respectfully requests that the Commission hold oral argument on its Application.

Respectfully submitted,

BRUCE A. NEY (KS#15354)

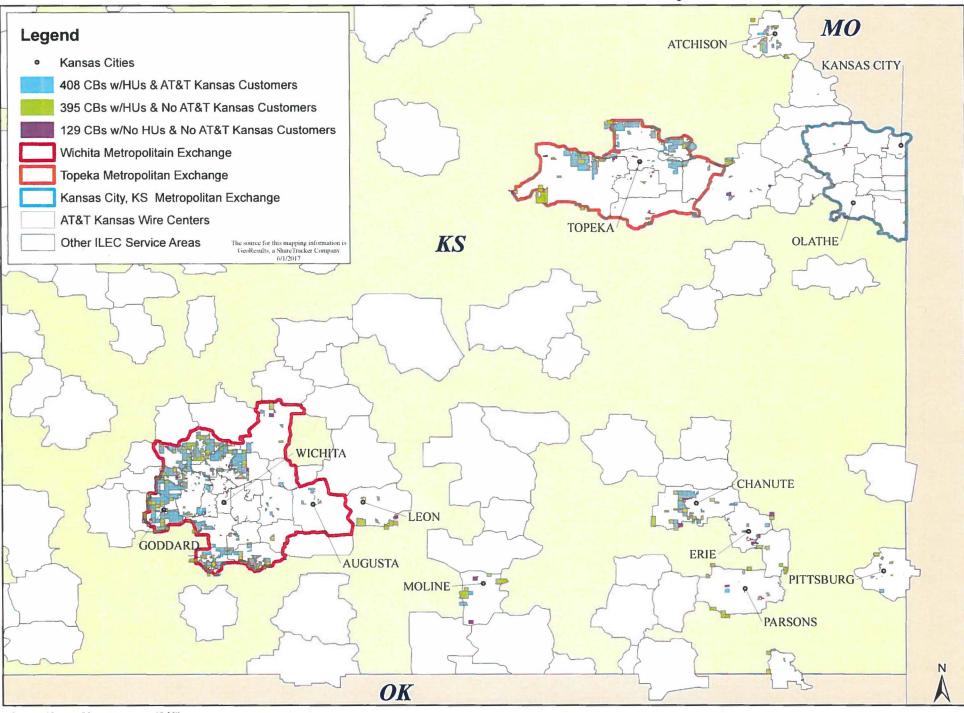
AT&T Services, Inc. 816 Congress Ave., Suite 1100 Austin, Texas 78701 (512) 457-2311 (office-direct) (512) 870-3420 (facsimile) bruce.ney@att.com

Attorney for Southwestern Bell Telephone Company d/b/a AT&T Kansas

# **EXHIBIT 1**

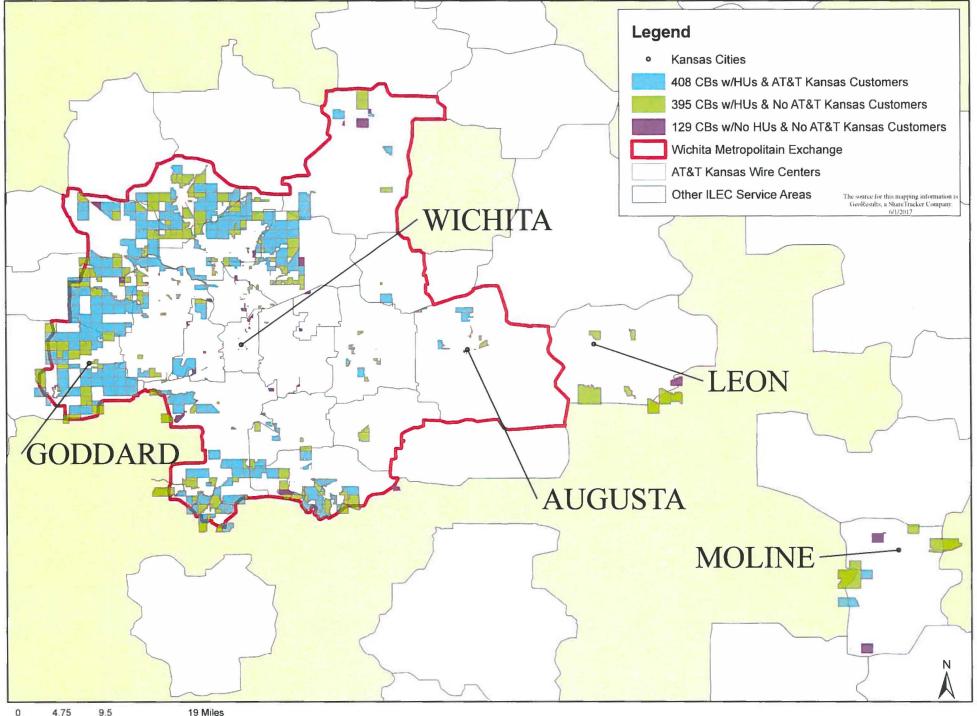
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# AT&T Kansas 932 Census Block Analysis



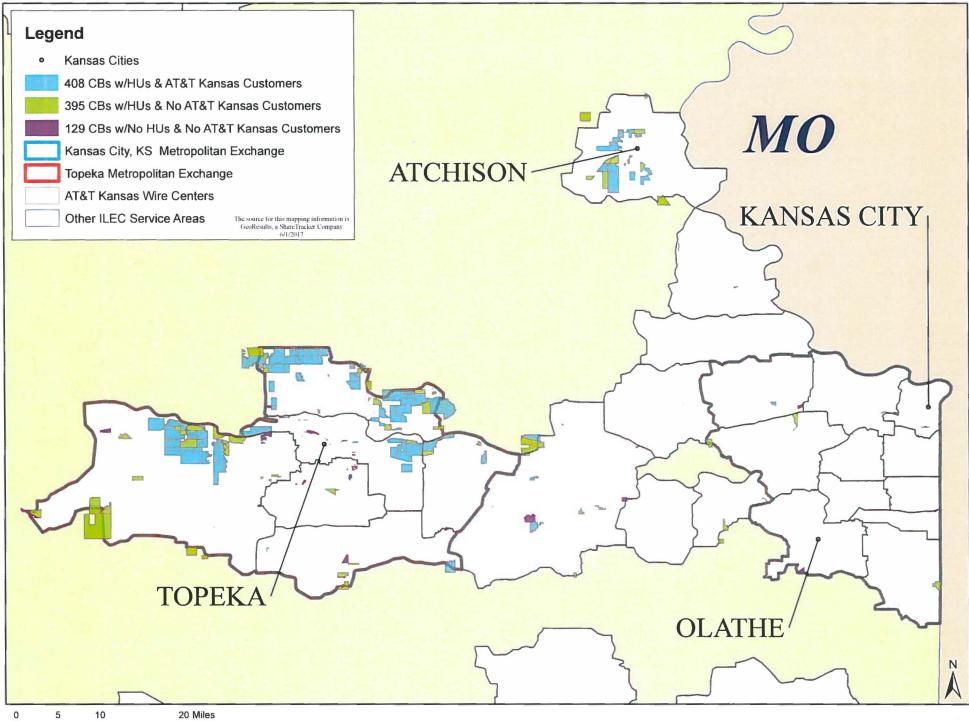
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# AT&T Kansas 932 Census Block Analysis



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# AT&T Kansas 932 Census Block Analysis



# **EXHIBIT 2**

# AT&T Kansas 932 CB Customer Analysis

Exchange	AT&T Kansas Customers	CBs with Customers
Chanute	44	22
Atchison	44	15
Topeka	335	85
Wichita	689	256
Other Exchanges	44	30
TOTAL	1,156	408

#### VERIFICATION

I, Janet L. Arnold, of lawful age, and being first duly sworn, now state: I am Area Manager–External Affairs, and have read AT&T Kansas' Reply to Staff's Response to AT&T Kansas' Response to Staff's Second Report and Recommendation, and verify the statements contained herein to be true and correct to the best of my knowledge and belief.

Janet L. Arnold

Subscribed and sworn to before me on this 1<sup>st</sup> day of June, 2017.

Notary Public Down

My appointment expires:

A NOT	TARY PUBLIC - State of Kansas
E.I	DONNA J. SOWERS
	DONNA J. SOWERS My Appt. Exp. 6-22.19

#### **CERTIFICATE OF SERVICE**

I, the undersigned, hereby certify that a true and correct copy of the above and foregoing AT&T Kansas' Reply to Staff's Response to AT&T Kansas' Response to Staff's Second Report and Recommendation was electronically served this 1<sup>st</sup> day of June, 2017 to:

Michael Neeley Ahsan Latif Litigation Counsel Kansas Corporation Commission 1500 SW Arrowhead Rd. Topeka, KS 66604-4027 m.neeley@kcc.ks.gov a.latif@kcc.ks.gov

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Bruce A. Ney