

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

Before Commissioners: Andrew J. French, Chairperson
Dwight D. Keen
Annie Kuether

In the Matter of the Audit of GC Pivotal, LLC)
by the Kansas Universal Service Fund (KUSF))
Administrator Pursuant to K.S.A. 66-2010(b)) Docket No. 24-GCPT-115-KSF
for KUSF Operating Year 26, Fiscal Year)
March 2022-February 2023.)

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 17, 2023, the Commission directed Vantage Point Solutions (VPS) to perform an audit of GC Pivotal, LLC (“GC Pivotal” or “company”) for Kansas Universal Service Fund (KUSF) purposes.

2. On June 24, 2024, VPS filed its Audit Report for GC Pivotal regarding Operating Year 26 (March 2022–February 2023) that included the following findings:

Audit Finding No. 1:

GC Pivotal did not report its intrastate and intralata usage, POTS revenues, or VoIP service revenues, resulting in an underpayment of \$5,421.08 to the KUSF.

Audit Finding No. 2:

GC Pivotal did not report the following miscellaneous fees: Remote Call Forwarding Fees, Non-published listing fees, Non-listed Fees, Account Maintenance Fees, Additional Listing Charges, and Directory Assistance Fees. This resulted in an underpayment of \$2,490.00 to the KUSF.

Audit Finding No. 3:

GC Pivotal reported and collected the KUSF surcharge on its Preferred Interexchange Carrier Charges (PICC) and End User Common Line Charges. However, the result was immaterial.

Audit Finding No. 4:

GC Pivotal did not report revenues in the periods in which they were earned and did not correct its reporting via Quarterly or Annual True-Ups for FYs 25, 26, and 27 (March 2021–February 2024), resulting in an overpayment of \$1,098.43 to the KUSF.

3. VPS conducted the audit of GC Pivotal in accordance with the Commission’s KUSF Review Procedures. The Audit Report provides a detailed analysis to support the VPS findings. VPS recommends GC Pivotal:

(1) file audit True-ups for FYs 25, 26, and 27, and revised CRWs for March and April 2024, to correctly report its actual revenues for the periods in which they were earned, to exclude Preferred Interexchange Carrier Charges (PICC) and End User Common Line Charges revenues from its reporting, and to include its POTS service revenues, VoIP Revenues, Remote Call Forwarding Fees, Non-published listing fees, Non-listed fees, Account Maintenance Fees, Additional Listing Charges, and Directory Assistance Fees;

(2) update its billing system to include KUSF surcharge collection of POTS revenues, VoIP service revenues, Remote Call Forwarding Fees, Non-published listing fees, Non-listed fees, Account Maintenance Fees, Additional Listing Charges, and Directory Assistance Fees, and exclude KUSF surcharge collection from Preferred Interexchange Carrier Charges (PICC) and End User Common Line Charges;

(3) update its KUSF reporting procedures to include reporting of POTS revenues, VoIP service revenues, Remote Call Forwarding Fees, Non-published listing fees, Non-listed fees, Account Maintenance Fees, Additional Listing Charges, and Directory Assistance Fees, and exclude reporting of Preferred Interexchange Carrier Charges (PICC) and End User Common Line Charges;

(4) remit \$6,812.65 to the KUSF; and

(5) file an affidavit, signed by an officer of the company, attesting that the company: corrected its KUSF reporting procedures to include POTS revenues, VoIP service revenues, Remote Call Forwarding Fees, Non-published listing fees, Non-listed fees, Account Maintenance Fees, Additional Listing Charges, and Directory Assistance Fees in its reporting revenues; corrected its KUSF reporting procedures to exclude Preferred Interexchange Carrier Charges (PICC) and End User Common Line Charges from its reporting revenues; corrected its billing system to include KUSF surcharge collection from POTS revenues, VoIP service revenues, Remote Call Forwarding Fees, Non-published listing fees, Non-Listed Fees, Account Maintenance Fees, Additional Listing Charges, and Directory Assistance Fees; corrected its billing system to exclude KUSF surcharge collection from Preferred Interexchange Carrier Charges (PICC) and End User Common Line Charges; and remitted \$6,812.65 to the KUSF.

The affidavit should provide the date the corrective actions were implemented. VPS advises the Commission should direct GC Pivotal to take corrective action within 60 days of the Order Adopting the Report, and VPS to file a Compliance Report within 90 days of the Order.

4. GC Pivotal is a switched local exchange, exchange access, and interexchange services provider headquartered in Arlington, Virginia. It has not been designated as an Eligible Telecommunications Carrier (ETC) in Kansas and, therefore, does offer Lifeline services to its customers. Based on its review, VPS found GC Pivotal reports revenue and remits its assessment to the KUSF based on the unbundled service price for Kansas assessable revenue. It uses the same allocation methodology for Federal Universal Service Fund purposes.

5. The Commission has reviewed VPS's June 24, 2024, Audit Report and concludes it should be adopted including the recommended actions as recited in paragraph three. The recommended actions shall be completed within 60 days of the issuance of this Order. VPS shall then file a Compliance Report within 90 days of the issuance of this Order to confirm completion of the actions directed by the Commission.

IT IS THEREFORE, BY THE COMMISSION ORDERED THAT:

A. The Commission accepts and adopts Vantage Point Solutions' Audit Report filed June 24, 2024, and directs GC Pivotal, LLC to correct deficiencies as set forth in the Audit Report within 60 days of the issuance of this Order.

B. Vantage Point Solutions shall file a Compliance Report within 90 days of the issuance of this Order to confirm completion of the actions directed by the Commission.

C. 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).¹

¹ K.S.A. 66-118b; K.S.A. 77-503(c); and K.S.A. 77-531(b).

D. 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; Kuether, Commissioner

Dated: 07/02/2024



Lynn M. Retz
Executive Director

BWB

CERTIFICATE OF SERVICE

24-GCPT-115-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 07/02/2024.

DAMON BEASLEY, ATTORNEY-IN-FACT
GC PIVOTAL, LLC
D/B/A GLOBAL CAPACITY
7900 TYSONS ONE PLACE STE 1450
McLEAN, VA 22102
damon.beasley@claconnect.com

BRETT W. BERRY, LITIGATION COUNSEL
KANSAS CORPORATION COMMISSION
1500 SW ARROWHEAD RD
TOPEKA, KS 66604
brett.berry@ks.gov

LESLIE BLAIR, VP OF TAX
GC PIVOTAL, LLC
D/B/A GLOBAL CAPACITY
7900 TYSONS ONE PLACE STE 1450
McLEAN, VA 22102
tax@gtt.net

DAWN CARTELLONE, ADMINISTRATIVE ASSISTANT
VANTAGE POINT SOLUTIONS
2930 MONTVALE DRIVE, SUITE B
SPRINGFIELD, IL 62704
dawn.cartellone@vantagepnt.com

TAX DEPARTMENT
GC PIVOTAL, LLC
D/B/A GLOBAL CAPACITY
7900 Tysons One Place
Suite 1450
McLean, VA 22102
tax@gtt.net

WENDY HARPER, USF SERVICES MANAGER
VANTAGE POINT SOLUTIONS
2930 MONTVALE DRIVE, SUITE B
SPRINGFIELD, IL 62704
wendy.harper@vantagepnt.com

SHOMARI JACKSON
VANTAGE POINT SOLUTIONS
2930 MONTVALE DRIVE SUITE B
SPRINGFIELD, IL 62704
shomari.jackson@vantagepnt.com

DENNIS SMITH
VANTAGE POINT SOLUTIONS
2930 MONTVALE DRIVE STE B
SPRINGFIELD, IL 62704
dennis.smith@vantagepnt.com

NICOLE STEPHENS, KUSF ADMINISTRATOR MANAGER
VANTAGE POINT SOLUTIONS
2930 MONTVALE DRIVE SUITE B
SPRINGFIELD, IL 62704
nicole.stephens@vantagepnt.com

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/S/ KCC Docket Room

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