

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

supported by the Federal universal service support mechanisms under section 254(c) of this title, either using its own facilities or a combination of its own facilities and resale of another carrier's services (including the services offered by another eligible telecommunications carrier)."

4. On December 23, 2015, Commission Staff (Staff) submitted a Report and Recommendation (R&R) to the Commission which found that Selectel, Inc. (Selectel) is impermissibly offering Lifeline service in Kansas through TAG's ETC designation. Selectel has not been granted ETC status in Kansas, and is thus not authorized to provide Lifeline service in Kansas. According to Staff, Selectel is affiliated with TAG as an Independent Sales Organization. Staff claims, pursuant to the Independent Sales Organization Agreement, TAG is not providing voice telephony service to low-income consumers as required by 47 C.F.R.54.101 (a), nor utilizing its own facilities or a combination of its own facilities and resale of another carrier's services. Thus, Staff determined TAG was in violation of 47 U.S.C. 214(e)(1), K.S.A. 66-2008(b), and the Commission's Order designating TAG as an ETC.

5. Staff also expressed concern that TAG was not passing along the entire Lifeline discount to its consumers, in contravention of the 12-843 Order. Therefore, Staff recommended the Commission open a proceeding requiring TAG to show cause why it should not be subject to sanctions and fines, and its ETC designation should not be canceled, suspended and/or revoked. Staff also recommended the Commission direct GVNW (the KUSF third party administrator) to immediately cease providing Lifeline support to TAG until this issue is resolved.

6. On January 14, 2016, the Commission issued an Order to Show Cause, giving TAG thirty (30) days from receipt of the Order, to demonstrate why it should not be subject to sanctions and fines and its ETC designation should not be canceled, suspended and/or revoked.

Additionally, the Show Cause Order also required GVNW to immediately cease providing Lifeline support to TAG until the issue is resolved.

7. On February 2, 2016, TAG filed a Petition for Reconsideration (PFR), asking the Commission to reconsider cessation of TAG's Lifeline Support funding. TAG claims it is inappropriate to remove its Lifeline support before it has an opportunity to respond to Staff's allegations. Without waiving its argument that it is inappropriate to terminate its Lifeline support, TAG volunteered to set aside its Lifeline payments during the pendency of this docket to be dispersed, as necessary, at the conclusion of this Docket.<sup>1</sup>

8. On February, 3 2016, Staff filed its response to TAG's PFR, asserting the Commission's actions directing GVNW to withhold Lifeline payments were appropriate given the Commission's fiduciary duty to the KUSF. However, Staff advocated granting reconsideration on a limited basis allowing TAG's lifeline support to be set aside during the pendency of this Docket, Staff noted that this approach has been used successfully in the past.<sup>2</sup>

9. On February 17, 2016, TAG filed a Response to the Show Cause Order, requesting "the Commission find TAG has not violated federal or Kansas ETC rules" and to "dismiss this show cause proceeding." On February 26, 2016, Staff filed a Response to TAG's Response to the Show Cause Order. Neither TAG's Response, nor Staff's Response to TAG's Response are relevant to the PFR.

10. The Commission agrees with Staff and TAG that the Lifeline payments should be set aside until this docket is completed, rather than being ceased entirely. This outcome provides additional time for the parties to investigate the concerns raised by Staff, while at the same time

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<sup>1</sup> TAG Mobile, LLC'S Petition for Reconsideration, Feb. 2, 2016, ¶ 6.

<sup>2</sup> Staff's Response to TAG Mobile, LLC'S Petition for Reconsideration, Feb. 3, 2016, ¶ 5.

ensuring that KUSF money will not be unjustly dispersed or withheld. Accordingly, the Commission directs GNVW to set aside TAG's Lifeline support until otherwise ordered.


**THEREFORE, THE COMMISSION ORDERS:**

- A. TAG Mobile, LLC's Petition for Reconsideration is granted.
- B. GNVW shall keep track of and set aside any Lifeline support payments due to TAG, holding them until the final outcome of this docket is determined. At the conclusion of this Docket, the Commission shall provide GNVW further instructions on dispersing TAG's Lifeline payments.
- C. The parties have 15 days from the date of service, plus three (3) days if served by mail, to petition for reconsideration.<sup>3</sup>
- D. The Commission retains jurisdiction over the subject matter and the parties for the purpose of entering such further orders as it deems necessary.

**BY THE COMMISSION IT IS SO ORDERED.**

Emler, Chairman; Albrecht, Commissioner; Apple, Commissioner

Dated: MAR 03 2016

  
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Amy L. Green  
Secretary to the Commission

BGF/dc

**EMAILED**

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<sup>3</sup> K.S.A. 66-118b; K.S.A. 77-529(a)(1).

**CERTIFICATE OF SERVICE**

16-TAGC-323-SHO

I, the undersigned, certify that the true copy of the attached Order has been served to the following parties by means of

Electronic Service on **MAR 03 2016**

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/S/ DeeAnn Shupe  
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***EMAILED***

**MAR 03 2016**