



GVNW CONSULTING, INC.

2270 LA MONTANA WAY#200
COLORADO SPRINGS, CO (80918)
TEL. 719.594.5800
FAX 719.594.5803
www.gvnw.com

June 15, 2017

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

RE: Docket No. 17-CRCZ-028-KSF
*In the Matter of the Audit of Cricket Communications, Inc. (CEL) 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. Green:

In its August 2, 2016 order the Kansas Corporation Commission (KCC) directed GVNW to perform a KUSF carrier audit of Cricket Communications, Inc. (Cricket or Company) to ensure that the data submitted to the KUSF via the KUSF CRWs, the assessments paid, and the calculation and application of the flow-through surcharge billed to and collected from Cricket's customers, if applicable, are appropriate and accurate.

The KCC directed GVNW to file two versions of the audit report with the KCC; one version containing confidential information and one version with the confidential data redacted for public disclosure. Cricket's audit does not require a separate confidential report; therefore, only the enclosed public audit report for Cricket is being filed.

Copies of the supporting documentation, including GVNW's audit work papers and information provided by the company, are not included with the audit report, but are available from GVNW upon request.

Sincerely,

A handwritten signature in black ink, appearing to read "David Winter", with a stylized flourish extending from the end.

David Winter
Senior Consultant

cc w/encl: Sandy Reams

DW/dc – Encl.

KANSAS UNIVERSAL SERVICE FUND AUDIT REPORT

Docket No: 17-CRCZ-028-KSF
Cricket Communications, Inc.

Prepared For: Kansas Corporation Commission
Kansas Universal Service Fund

Prepared By: David Winter
GVNW Consulting, Inc.

Audit Period: March 1, 2015 through February 28, 2016
Kansas Operating Year 19 (Operating Year 19)

Company Representatives: Tiffany Porter

Date of On-Site Visit: March 19 through 21, 2017

Date Submitted to Company: June 6, 2017

Audit Summary

Based on the Kansas Universal Service Fund (KUSF) Carrier Review Procedures for Operating Year 19,¹ GVNW Consulting, Inc. (GVNW) did not identify any KUSF deficiencies regarding Cricket Communications, Inc. (Cricket or Company) and recommends this Docket be closed.

Current KUSF Obligations

Cricket's KUSF account is closed and the Company does not have any outstanding KUSF obligations.²

Background

Cricket was a prepaid commercial mobile radio services (CMRS) provider headquartered in Atlanta, Georgia. The Federal Communications Commission (FCC), on March 13, 2014, approved AT&T's merger with Leap Wireless d/b/a Cricket Communications. Since that time, Cricket continued to be a KUSF reporting company, *i.e.* filing monthly Carrier Reporting Worksheets (CRW) and True-ups with the KUSF. On October 28, 2015, the KUSF Administrator was notified by AT&T that Cricket would be discontinuing the provision of service to its customers in mid-September 2015. Cricket filed its last monthly CRW to report its September 2015 revenues with the KUSF Administrator in October 2015. The Company was required to report its revenues and pay the related assessments

¹ Docket No. 15-GIMT-073-GIT (Docket 15-073), July 14, 2016 Order Accepting GVNW's KUSF Year 19 Audit Selections, Proposed Revisions to Selection Criteria and Audit Review Procedures (July 2016 Order).

² Confirmed on June 6, 2017 with the KUSF Administrator.

to the KUSF on a monthly basis³ and did so. Cricket was authorized to collect its assessment from subscribers, but elected not to collect the KUSF assessment from its customers. The Company used traffic studies to identify intrastate revenues and filed its last traffic study update with the Kansas Corporation Commission (KCC or Commission) on October 23, 2015.⁴ GVNW advises the Commission that Cricket bundled assessable and non-assessable services and reported revenue based on the voice component of each bundled service.⁵

On August 2, 2016, the Commission issued Order No. 1 in Docket No. 17-028 directing GVNW to conduct an audit of Cricket for KUSF purposes.

This audit also requires a review of the Company's compliance with the recommendations adopted by the KCC in Docket 13-712.⁶

Audit Findings

GVNW conducted the audit of Cricket in accordance with the KUSF Carrier Review Procedures adopted by the KCC.⁷

GVNW did not identify any KUSF audit deficiencies related to the current audit period and recommends closing this docket.

Follow-Up Docket 13-712 Audit Compliance

The following findings were adopted by the Commission in Docket 13-712.

Other KUSF-Related Finding: Cricket identified the KUSF and Federal Universal Service Fund (USF) surcharges on a customer's bill as "Universal Service Fund Surcharge," but did not clearly identify whether the charge is for Kansas or the Federal jurisdiction.

Audit Finding Compliance: For the audit period, the Company did not collect the KUSF or Federal USF surcharges from its subscribers. Therefore, the customer's bill did not reflect any line item associated with the Kansas or Federal jurisdiction.

³ Docket No. 06-GIMT-332-GIT (Docket 06-332), January 23, 2006 Order Setting the Kansas Universal Service Fund Assessment Rate For Year Ten and Establishing Reporting Requirements.

⁴ Docket No. 16-GIMT-067-GIT, October 23, 2014, Cricket Communications, LLC Update to Traffic Study Data for KUSF Report, In the Matter of an Investigation to Determine the Assessment Rate for the Twentieth Year of the Kansas Universal Service Fund, Effective March 1, 2016.

⁵ Cricket response to DR No. 7.

⁶ Docket No. 13-CRCZ-713-KSF (Docket 13-712), October 2, 2013, Order Accepting Proposal of Cricket Communications, Inc. and Closing Docket.

⁷ Docket 15-073, July 14, 2016 Order.

CERTIFICATE OF SERVICE

I hereby certify that on this 15th day of June 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
Otto Newton
1500 SW Arrowhead Road
Topeka, KS 66604
Email: o.newton@kcc.ks.gov

Brian Muncy
Cricket Communications, Inc.
575 Morosgo Dr NE Rm 14F87
Atlanta, GA 30324
Email: bm9417@att.com

Bruce Ney
AT&T Services, Inc.
Attorney for Cricket Communications, LLC f/k/a Cricket Communications, Inc.
816 Congress Ave., Suite 1100
Austin, Texas 78701
Email: bruce.ney@att.com

Tiffany R. Porter
AT&T Services, Inc.
Senior Accountant
Global Tax Controversy – Transaction Tax Audits
1010 N. Saint Mary's, 9-O-52
San Antonio, Texas 78215
Email: tn7423@att.com



David G. Winter