

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

Before Commissioners: Dwight D. Keen, Chair
 Shari Feist Albrecht
 Susan K. Duffy

In the Matter of United Telephone of Kansas d/b/a)
CenturyLink Filing Tariff Revisions to Reflect the) Docket No. 20-UTDT-208-TAR
Phased-in Reductions in the Federal Lifeline)
Credit.)

ORDER APPROVING TARIFF REVISIONS

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 November 1, 2019, United Telephone Companies of Kansas d/b/a CenturyLink (CenturyLink) filed a request to revise its General Exchange Tariff to change the credit amounts for voice Federal Lifeline support that will be made effective on December 1, 2019 and in the future, pursuant to the Federal Communications Commission's (FCC) Lifeline Modernization Order¹ and Commission Docket No. 16-GIMT-575-GIT. CenturyLink proposes to implement the *2016 Lifeline Order* with respect to the Federal Lifeline Credit Program and filed a replacement tariff for Section 13, First Revised Sheets 36.1 through 36.3, effective, December 1, 2019, that sets forth the specific dollar credit reductions through December 1, 2020, as well as other terms and conditions.

2. K.S.A. 66-1, 190 requires that telecommunications public utilities doing business in Kansas shall:

¹ *In the Matter of Lifeline and Link Up Reform and Modernization*, WC Docket No 11-42, Third Report and Order, Further Report and Order, and Order on Reconsideration, Rel. April 27, 2016 ("*2016 Lifeline Order*").

... publish and file with the commission copies of all schedules of rates, joint rates, tolls, charges, classifications and divisions of rates affecting Kansas traffic, either state or interstate, and shall furnish the commission copies of all rules and regulations and contracts between such telecommunications public utilities pertaining to any and all jurisdictional services to be rendered by such telecommunications public utilities.

The Commission derives its authority to review Local Exchange Carrier tariffs from K.S.A. 66-117(d), which states in part:

Except as provided in subsection (c), no change shall be made in any rate, toll, charge, classification or schedule of charges or joint rates, or in any rule or regulation or practice pertaining to the service or rates of any such public utility or common carrier, without the consent of the commission.

3. The Commission maintains authority to require telecommunications public utilities to maintain rates that are not unjust or unreasonably discriminatory.² Accordingly, the Commission conducts its investigation regarding the reasonableness of CenturyLink's request to adjust its credit for Federal Lifeline support.

4. On November 14, 2019, the Commission Staff (Staff) submitted a Report and Recommendation, advising the Commission to grant the tariff revisions proposed by CenturyLink. Staff finds the tariff revisions to be reasonable in addressing the Federal Lifeline Credit Program and do not result in a material increase in overall revenue to CenturyLink. The Staff summarized certain requirements for eligibility for Lifeline support that were adopted by both the FCC and the Commission. The Staff also highlighted the minimum service standards identified in the *2016 Lifeline Order*, which place increased emphasis on providing support for broadband and decreased support for voice services. The change in emphasis for federal support is reflected in reduced monthly amounts for Federal Lifeline voice only service credits, which are currently projected to decline for most voice service on an annual basis through December 2021. The Staff further

² K.S.A. 66-1,189.

indicated that the change in federal support levels will not impact revenue received by carriers for the service provided, as the only adjustment that will occur is related to the Federal Lifeline credit, resulting in the customer making up the difference on charges for voice service and not causing an increase in total collections by the carrier.

5. The Commission adopts Staff's analysis and recommendations of November 14, 2019, as stated in the Report and Recommendation, which is attached hereto and made a part hereof by reference, and finds that the CenturyLink request should be granted. In conjunction with the request, CenturyLink has provided replacement tariff revisions to be put into effect December 1, 2019, which the Commission authorizes with the issuance of this Order.

IT IS, THEREFORE, BY THE COMMISSION ORDERED THAT:

A. The United Telephone Companies of Kansas, d/b/a CenturyLink request filed in this matter on November 1, 2019, is hereby granted with the effective tariff date occurring on December 1, 2019.

B. 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

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

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

BY THE COMMISSION IT IS SO ORDERED.

Keen, Chair; Albrecht, Commissioner; Duffy, Commissioner

Dated: 11/21/2019

A handwritten signature in cursive script, reading "Lynn M. Retz".

Lynn M. Retz
Executive Director

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**REPORT AND RECOMMENDATION
UTILITIES DIVISION**

TO: Chair Dwight D. Keen
Commissioner Shari Feist Albrecht
Commissioner Susan Duffy

FROM: Paula Artzer, Senior Telecommunications Analyst
Christine Aarnes, Chief of Telecommunications
Jeff McClanahan, Director of Utilities

DATE: November 14, 2019

SUBJECT: Docket No. 20-UTDT-208-TAR
In the Matter of United Telephone of Kansas dba CenturyLink Filing Tariff
Revisions Reflect the Phased-in Reductions in the Federal Lifeline Credit

EXECUTIVE SUMMARY:

On November 1, 2019, United Telephone Companies of Kansas d/b/a CenturyLink (CenturyLink) filed a request to make tariff revisions to a certain section of its General Exchange Tariff changing the verbiage for the Company's Lifeline offering. These changes are to reflect the modifications made by the Federal Communications Commission (FCC) in the Lifeline Modernization Order and the Kansas Corporation Commission's (the Commission or KCC) Order in 16-GIMT-575-GIT (16-575).

The Commission action date is **Friday, November 22, 2019.**

BACKGROUND:

On April 27, 2016, the FCC released the *2016 Lifeline Order*¹ in which it determined it must modernize the federal Lifeline program so that it can play an essential role in helping low-income Americans that most need access to broadband services. In the *2016 Lifeline Order*, the FCC determined, among other things, that:

- federal Lifeline support will be allowed for robust, standalone fixed and mobile

¹ *In the Matter of Lifeline and Link Up Reform and Modernization*, WC Docket No 11-42, Third Report and Order, Further Report and Order, and Order on Reconsideration, Rel. April 27, 2016 ("*2016 Lifeline Order*").

- broadband services;
- Lifeline providers must meet minimum service standards to receive federal Lifeline support for broadband and mobile voice services;
- a National Verifier shall be created, which will transfer the responsibility of eligibility determination away from Lifeline providers;
- the federal Lifeline program qualification criteria shall be streamlined;
- recertification shall be a rolling process; and
- a uniform Lifeline form shall be created for all subscribers receiving a federal Lifeline benefit.

Many of the new rules from the *2016 Lifeline Order*, including the change in program qualification criteria, were effective December 2, 2016.

The eligibility criteria change only applies to the federal Lifeline program. Thus, a state that has its own Lifeline fund, such as Kansas, remains free to adopt any eligibility requirements it deems necessary for the state Lifeline program.² On July 12, 2016, the Commission issued an *Order Opening Docket; Soliciting Comments; Procedure Matters and Schedule* (Opening Order) in Docket 16-GIMT-575-GIT requesting comments from all interested parties regarding what changes, if any, should be made to the Kansas Lifeline Service Program (KLSP) as a result of changes to the federal Lifeline program since the Commission last modified the KLSP in Docket No. 10-GIMT-658-GIT.

Based on comments from the telecommunications industry in Kansas and Staff's recommendation in 16-575, the Commission issued an Order on October 18, 2016, adopting the new federal eligibility criteria as the Kansas state criteria. The proposed Federal and State eligibility criteria that were effective December 2, 2016, are:

- SNAP;
- Medicaid;
- SSI;
- Federal Public Housing Program (Section 8);
- Veterans Pension Benefit and Survivors Pension;
- Bureau of Indian Affairs General Assistance program;
- Tribally-Administered Temporary Assistance for Needy Families;
- Tribal Head Start (only for those meeting its income-qualifying standard);
- Food Distribution Program on Indian Reservations; or
- an IRS defined gross income level of 135% of the federal poverty level.³

The *2016 Lifeline Order* also provided a requirement that minimum service standards adjust every year in December on a phased-in basis. The phase-in allows for increased emphasis on supporting broadband each year with a decreased emphasis on voice services. The minimum service standards to be effective December 1, 2019, are as follows:

² See *Staff Report & Recommendation*, 16-GIMT-575-GIT, September 16, 2016, pg. 4.

³ *In the Matter of Lifeline and Link Up Reform and Modernization*, WC Docket No 11-42, Third Report and Order, Further Report and Order, and Order on Reconsideration, Rel. April 27, 2016 ("*2016 Lifeline Order*"). ¶¶ 196, 198, 202, 207-210.

- mobile voice packages require a minimum of 1,000 minutes;
- mobile broadband packages must include data usage of at least 8.75 GB per month and the speed requirement remains 3G mobile technology⁴;
- fixed broadband speed must be at least 20 Mbps downstream and 3 Mbps upstream, unless the Lifeline provider does not offer any generally available residential fixed broadband packages that meet the minimum service standard at the subscriber's residence. In such situations, the Lifeline provider may receive Lifeline support for the highest performing generally available residential fixed broadband service offering of at least 4 Mbps downstream and 1 Mbps upstream. Fixed broadband usage must be at least 1024 GB per month⁵;
- the voice Lifeline support which was previously \$9.25 drops to \$7.25 for the period of December 1, 2019, to November 30, 2021; and
- a voice and broadband Lifeline bundle **must** include a broadband offering that meets the applicable minimum service standard to be eligible for the full \$9.25 Lifeline benefit.

ANALYSIS:

The Commission derives its authority to review Local Exchange Carrier tariffs from K.S.A. 66-117(d), which states in part:

(d) Except as provided in subsection (c), no change shall be made in any rate, toll, charge, classification or schedule of charges or joint rates, or in any rule or regulation or practice pertaining to the service or rates of any such public utility or common carrier, without the consent of the commission.

In addition, K.S.A. 66-1,190 requires every public utility doing business in Kansas over which the Commission has control shall publish and file with the Commission copies of all schedules of rates, joint rates, tolls, charges, classifications and divisions of rates affecting Kansas traffic, either state or interstate. The Commission has the power to prescribe reasonable rules and regulations regarding the form and filing of all schedules, tariffs and classifications of all rates, joint rates, tolls and charges, and all rules and regulations of such telecommunications public utilities as the Commission determines reasonable and appropriate.

The KCC must review rates and terms for jurisdictional telecommunications services to ensure they are "just and reasonable" pursuant to K.S.A. 66-1,189. Further, K.S.A. 66-1,189 requires the KCC to ensure that all classifications, rules, and regulations regarding the services are not unduly discriminatory or preferential.

This filing makes changes to Section 13 of the tariff, pages 36.1-36.3. The change is as follows:

⁴ FCC Public Notice, WC Docket No. 11-42, DA 19-704, Rel. July 25, 2019. See: <https://docs.fcc.gov/public/attachments/DA-19-704A1.pdf>.

⁵ FCC Public Notice, WC Docket No. 11-42, DA 19-704, Rel. July 25, 2019. See: <https://docs.fcc.gov/public/attachments/DA-19-704A1.pdf>.

- Change the specific Lifeline credit as of December 1, 2019

The credit as of December 1, 2019, is dependent on the type of service the consumer orders and the credit is different for voice only versus voice and broadband or broadband only.

The change to the Federal Lifeline credit may increase the revenue paid by the consumer but will not change the overall amount of revenue received by the Company. Therefore, the annual revenue impact will be zero or minimal.

Staff has reviewed the filing and does not have any concerns. The Company's last tariff filing was approved in October of 2019.

RECOMMENDATION:

Staff recommends the Commission approve the replacement tariff sheet provided by CenturyLink. The changes that are provided in the new tariff sheets are not revenue affecting and are due to changes to the federal Lifeline program by the FCC. The changes that the Company filed mirror the federal requirements and are, therefore, in the public interest. The Company requests an effective date of December 1, 2019.

CERTIFICATE OF SERVICE

20-UTDT-208-TAR

I, the undersigned, certify that a true copy of the attached Order has been served to the following by means of electronic service on 11/21/2019.

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/S/ DeeAnn Shupe
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