

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

Before Commissioners: Jay Scott Emler, Chairman
Shari Feist Albrecht
Pat Apple

In the Matter of a General Investigation of)
Accessline Communications Corporation to)
Show Cause Why This Commission Should) Docket No. 16-ALIC-367-SHO
Not Initiate Sanctions and Fines and Cancel,)
Suspend and Revoke Any Authority the)
Carrier Currently Holds.)

ORDER TO SHOW CAUSE

NOW, the above-captioned matter comes before the State Corporation Commission of the State of Kansas (Commission) for consideration and decision. Having reviewed its files and records and being duly advised in the premises, the Commission makes the following findings:

1. On February 1, 2005, in Docket No. 05-ALIC-462-COC, the Commission issued an Order granting Accessline Communications Corporation (Accessline) a Certificate of Convenience and Authority as an Interexchange Carrier (IXC) in Kansas.
2. K.S.A. 2015 Supp. 66-1503 allows the Commission to impose an assessment on all public utilities based on a percentage of a utility's gross intrastate operating revenues.
3. K.S.A. 17-7931(a) requires telecommunications public utilities to register with the Kansas Secretary of State's Office, thus remaining active and in good standing.
4. K.S.A. 66-2008 requires all telecommunications public utilities to contribute to the Kansas Universal Service Fund (KUSF) on an equitable and

nondiscriminatory basis, and K.S.A. 66-123 requires public utilities to file Annual Reports with the Commission.

5. On February 4, 2016, Commission Staff (Staff) submitted a Report and Recommendation (R&R) to the Commissioners, a copy of which is attached hereto and incorporated herein by reference. Staff's R&R detailed two previous Show Cause proceedings to which Accessline has been a party, and indicated that Accessline is currently non-compliant with K.S.A. 66-1503, owing \$75 in Commission Assessments.

6. Staff has made numerous attempts to contact Accessline in an attempt to get the Company to correct the delinquency in its outstanding assessment invoices, pursuant to K.S.A. 66-1503. As again detailed in Staff's R&R, two notices and two emails were sent to Accessline, explaining the delinquency and advising Accessline that failure to remit the outstanding assessments could result in Staff recommending the Commission open a show cause proceeding against Accessline. To date, Staff has not heard from Accessline regarding either notices or emails and the assessment invoices remain outstanding. Moreover, Staff stated that Accessline has not filed for either Chapter 7 or Chapter 11 bankruptcy protection.

7. Therefore, Staff recommends the Commission open a proceeding requiring Accessline to show cause why this Commission should not initiate sanctions or fines against Accessline and revoke Accessline's Certificate of Convenience and Authority. Further, Staff recommends that if the Commission finds Accessline's Certificate should be canceled, the Commission should authorize GVNW Consulting, Inc., the current KUSF third-party administrator, to remove Accessline's name from its active KUSF files.

8. The Commission finds Staff's recommendations to be reasonable and hereby adopts the same.

IT IS, THEREFORE, BY THE COMMISSION ORDERED THAT:

A. Accessline Communications Corporation shall show cause, within thirty (30) days of receipt of this Order, why it should not be subject to sanctions and fines and its Certificate of Convenience and Authority as an IXC in Kansas should not be cancelled, suspended and/or revoked.

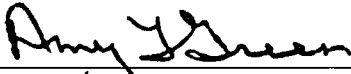
B. The parties have fifteen (15) days, plus three (3) days if served by mail, from the date this order was served, to petition the Commission for reconsideration. K.S.A. 66-118; K.S.A. 77-529(a)(1).

C. The Commission retains jurisdiction over the subject matter and parties for the purpose of issuing such further orders, as necessary.

BY THE COMMISSION IT IS SO ORDERED.

Emler, Chairman; Albrecht, Commissioner; Apple, Commissioner

Dated: FEB 23 2016



Amy L. Green
Secretary to the Commission

MJD

Order Mailed Date

FEB 24 2016

**REPORT AND RECOMMENDATION
UTILITIES DIVISION**

TO: Chairman Jay Scott Emler
Commissioner Shari Feist Albrecht
Commissioner Pat Apple

FROM: Hal Baumhardt, Senior Telecommunications Analyst
Christine Aarnes, Chief of Telecommunications
Jeff McClanahan, Director of Utilities

DATE: February 4, 2016

SUBJECT: 16-ALIC-367-SHO

In the Matter of a General Investigation of Accessline Communications Corporation to Show Cause Why This Commission Should Not Initiate Sanctions and Fines and Cancel, Suspend and Revoke Any Authority the Carrier Currently Holds.

EXECUTIVE SUMMARY:

Accessline Communications Corporation (Accessline) is delinquent with outstanding Commission Assessments. Numerous attempts have failed to get Accessline compliant with Kansas Statutes Annotated (K.S.A.) 66-1503.

Staff recommends the Commission open a proceeding requiring Accessline to show cause why this Commission should not initiate sanctions or fines and cancel, suspend or revoke any authority the carrier currently holds.

BACKGROUND:

On February 1, 2005, the Commission issued an Order granting the Company a Certificate of Convenience and Authority as an Interexchange Carrier (IXC) in Docket No. 05-ALIC-462-COC.

The Company has been party to two previous Show Cause proceedings for various non-compliance issues. Foremost, in Docket No. 07-ALIC-1105-SHO¹ the reporting company Solix², in its report to the Commission dated October 31, 2006, cited among its

¹ Accessline was found in non-compliance of KUSF requirements in Docket No. 06-ALIC-779-KSF.

² Solix was the administrator of the Kansas Universal Service Fund (KSUF) prior to GVNW Consulting.

findings that through the bill sampling acquired for the audit, Solix found evidence that the Company may have provided service in advance of being properly certified in Kansas. The Kansas Court of Appeals stated “*a full refund should be ordered*” resulting from doing business prior to Certification, and the Company was required to provide customer refunds in the amount of \$143,300; in addition to being assessed a fine of \$500 by the Commission. Secondly, in Docket No. 12-ALIC-685-SHO, the Company’s certificate was revoked resulting from a KUSF audit investigating its service rates being inconsistent with its tariff. The Company filed a Petition for Reconsideration, which was granted by the Commission on June 19, 2012, thereby reinstating its certificate. However, the Commission assessed a \$500 fine that was paid June 21, 2012.

Accessline once again has found itself in the position of not being in compliance with its statutory and regulatory obligations. The Company has outstanding Commission Assessment invoices dating back to October 15, 2015, in the amount of \$50.00, that has increased to \$75 with January 15, 2016, invoices. K.S.A. 66-1503 provides for the Commission to impose an assessment on all public utilities based on a percentage of a utility’s gross intrastate operating revenues (GIOR).

K.S.A. 17-7931(a) requires all telecommunications public utilities to remain “*active and in good standing*” with the Secretary of State’s Office, K.S.A. 66-2008 requires all telecommunications public utilities to contribute to the KUSF on an equitable and nondiscriminatory basis, and K.S.A. 66-123 requires public utilities to file Annual Reports with the Commission. The Company is current with these statutory requirements.

ANALYSIS:

Accessline has been negligent in maintaining its current status with K.S.A. 66-1503. Below are Staff’s ongoing attempts to get Accessline to correct this delinquency.

On December 18, 2015, Staff sent its “*First Notice of Outstanding Commission Assessment*” allowing the Company 15 days from the date of the Notice to remit payment of its outstanding assessment invoices. On January 4, 2016, Staff sent its “*Final Notice of Outstanding Commission Assessments*” to the Company allowing an additional 15 days from the date of the Notice in the attempt to get resolution to this delinquency. Both of Staff’s Notices included copies of the outstanding invoices that could have been used to remit payment and reconcile the account balance.

Moreover, Staff sent two emails on January 4, 2016, and January 22, 2016, with copies of the Notices and invoices in a further attempt to get payment. Staff has not heard from Accessline regarding either Notices or emails and the assessment invoices remain outstanding.

Commission Assessments are applied in accordance with K.S.A. 66-1503, which states:

The amount determined under subsection (a) shall be assessed by the commission against all public utilities and common carriers subject to the

jurisdiction of the commission and shall not exceed, during any fiscal year, the greater of \$100 or 0.2% of the respective utility's or common carrier's gross operating revenues derived from intrastate operation as reflected in the last annual report filed with the commission pursuant to K.S.A. 66-123...

Staff further advised the Company, in both Notices, that failure to remit payment of the outstanding assessments with the Commission could result in Staff recommending the Commission open a show cause proceeding to impose penalties on the Company for failing to comply with the statute as authorized by K.S.A. 66-138. The Commission may assess a penalty of \$100 to \$5,000 for each such violation.

Online examination of records searched discloses that Accessline has not filed for either Chapter 7 or Chapter 11 bankruptcy protection.

RECOMMENDATION:

As indicated above, Accessline has failed to remit payment of its outstanding Commission Assessments. Attempts to get Accessline to correct the Company's non-compliance with K.S.A. 66-1503 remain unanswered.

Staff recommends the Commission open a proceeding requiring Accessline to show cause why this Commission should not initiate sanctions or fines and cancel, suspend or revoke any authority the carrier currently holds.

Regarding the Company's reporting obligations to the KUSF, Staff recommends that if the Commission finds that Accessline's Certificate should be canceled, the Commission should authorize GVNW Consulting to remove the Company's name from its active KUSF files.

CERTIFICATE OF SERVICE

16-ALIC-367-SHO

I, the undersigned, certify that the true copy of the attached Order has been served to the following parties by means of first class mail/hand delivered on **FEB 23 2016**.

MARK KLEBANOFF, SECRETARY/TREASURER
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/S/ DeeAnn Shupe
DeeAnn Shupe

Order Mailed Date

FEB 24 2016