

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

In the Matter of a General Investigation of )  
CoreTel Kansas, Inc. to Show Cause Why This )  
Commission Should Should Not Levy ) Docket No. 25-CTKT-079-SHO  
Sanctions, Penalties, and Fines or Cancel, )  
Suspend, or Revoke Any Authority the Carrier )  
Holds for Non-Compliance with Kansas )  
Statutes and Commission Orders. )

**NOTICE OF FILING OF STAFF'S  
REPORT AND RECOMMENDATION (PUBLIC)**

COMES NOW, the Staff of the State Corporation Commission of the State of Kansas ("Staff" and "Commission," respectively), and files its Report and Recommendation ("Report") requesting the Commission issue an order to open a proceeding and require CoreTel to show cause as to why it should not be subject to sanctions, penalties, and/or fines or have its Certificate of Convenience canceled, suspended, or revoked for failure to comply with Kansas law and Commission Orders.

Because the Staff Report contains confidential commercial information pertaining to CoreTel, such as personally identifiable information relating to its personnel and Kansas Universal Service Fund account, Staff has elected to file confidential and public versions of its Report pursuant to K.S.A. 66-1220a.

WHEREFORE, Staff submits its Report and Recommendation for Commission review and consideration and for such other relief as the Commission deems just and reasonable.

Respectfully submitted,  
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Andrew J. French, Chairperson  
Dwight D. Keen, Commissioner  
Annie Kuether, Commissioner

Laura Kelly, Governor

## **REPORT AND RECOMMENDATION UTILITIES DIVISION**

**TO:** Andrew J. French, Chairperson  
Dwight D. Keen, Commissioner  
Annie Kuether, Commissioner

**FROM:** Jorge Soto-Gomez, Telecommunications Analyst  
Drennan Dolsky, Telecommunications Analyst  
Steve Garrett, Deputy Chief of Telecommunications  
Jeff McClanahan, Director of Utilities

**DATE:** July 24, 2024

**RE:** Docket No. 25-CTKT-079-SHO

In the Matter of a General Investigation of CoreTel Kansas, Inc. to Show Cause Why This Commission Should Not Levy Sanctions, Penalties, and Fines or Cancel, Suspend, or Revoke Any Authority the Carrier Holds for Non-Compliance with Kansas Statutes and Commission Orders.

### **EXECUTIVE SUMMARY**

CoreTel Kansas, Inc. (CoreTel) is delinquent with: (1) its submission of the 2023 Annual Interrogatory (AI) Report to the Kansas Corporation Commission (Commission); (2) compliance with Vantage Point Solutions (VPS), the Kansas Universal Service Fund (KUSF) Administrator; (3) and has outdated contact information. Companies like CoreTel, file a singular AI Report for both of their certificates as a Competitive Local Exchange Carrier (CLEC) and Interexchange Carrier (IXC). CoreTel is, therefore, non-compliant with K.S.A. 66-138, K.S.A 66-123 and Commission Orders given in certificates.

Telecommunications staff (Staff) recommends the Commission issue an order to open a proceeding and require CoreTel to show cause why it should not be subject to sanctions, penalties, and/or fines and why its Certificate of Convenience and Authority (COC) for CLEC and IXC services in Kansas should not be canceled, suspended, or revoked for failure to comply with its Kansas obligations.

### **BACKGROUND**

This Report and Recommendation requests to show cause both the CLEC and IXC certificates for CoreTel Kansas, Inc. CoreTel holds a COC to provide local exchange and exchange access services limited to Southwestern Bell Telephone Company, LLC d/b/a AT&T Kansas (AT&T)

and Brightspeed Companies of Kansas (Brightspeed)<sup>1</sup> legacy service areas in the state of Kansas.<sup>2</sup> CoreTel also holds a COC to provide IXC services within the state of Kansas.<sup>3</sup>

On March 14, 2012, the Commission show caused CoreTel on why its COC should not be revoked for its forfeiture status with the Kansas Secretary of State and delinquency with Commission assessments in docket 12-CTKT-669-SHO. On April 20, 2012, the Commission dismissed the show cause and closed the docket as the company came into compliance.

The Commission derives its authority and jurisdiction to supervise and control telecommunications public utilities from K.S.A. 66-1,188 and K.S.A. 66-2005(z). The Commission derives its authority to certificate and de-certificate public utilities from K.S.A. 66-131. Pursuant to K.S.A. 66-131, the Commission must review all certification and decertification applications to determine whether the public convenience and necessity will be promoted by granting the request.

K.S.A. 66-138(a) provides that:

(a) If any common carrier or public utility governed by the provisions of this act violates any of the provisions of this act, or shall do any act herein prohibited, or fails or refuses to perform any duty enjoined upon it in this act, *or fails, neglects or refuses to obey any lawful requirement or order made by the commission*, or any final judgment or decree made by any court upon appeal from any order of the commission, *it shall, for every such violation, failure or refusal*, forfeit and pay to the state treasurer (1) A sum not less than \$100 and not more than \$1,000 for such offense if the violator is a telecommunications public utility subject to traditional rate of return regulation; a telecommunications public utility described in K.S.A. 66-104a, and amendments thereto; a municipally owned and operated electric or natural gas public utility; an electric or natural gas cooperative public utility; a water public utility; or a nonprofit public utility; and (2) a sum not less than \$100 and not more than \$5,000 for such offense if the violator is any other common carrier or public utility. Upon receipt of any such sum, the state treasurer shall credit the entire amount thereof to the public service regulation fund or the motor carrier license fee fund, as the case requires. (Emphasis added).

K.S.A. 66-1,195 grants the Commission supervision of all telecommunications public utilities over which the commission has jurisdiction. The Commission has authority to “inquire into any neglect or violations *of the laws of this state* by any such telecommunications public utility or by the officers, agents or employees thereof.” (Emphasis added).

## **ANALYSIS**

CoreTel is required to comply with its statutory and Commission obligations. Staff discovered other areas of concern through multiple attempts in trying to communicate with CoreTel about the AI. CoreTel has failed to: (1) file its 2023 AI revenue report due May 1, 2024; (2) maintain current status with VPS; and (3) maintain current contact information with the Commission.

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<sup>1</sup> The “Brightspeed Companies of Kansas” includes: Brightspeed of Kansas, LLC; Brightspeed of Eastern Kansas, LLC; Brightspeed of Southern Kansas, Inc.; and Brightspeed of West Missouri, LLC. ILECs collectively known as “Brightspeed” formerly known as “CenturyLink”.

<sup>2</sup> Order, Docket No. 09-CTKT-241-COC, Feb. 23, 2009.

<sup>3</sup> Order, Docket No. 09-CTKT-242-COC, Feb. 23, 2009.

The company is negligent in maintaining compliance with Kansas statute K.S.A 66-123: “Annual reports shall be filed on or before May 1 for the preceding calendar year unless otherwise specified by commission order or rule and regulation.” The statute is also mentioned in the Telecommunications Carrier Code of Conduct included with the initial application for CoreTel’s certificate. The potential fine for failing to submit just the AI Report is a maximum \$500 fine.

A company that operates in the interstate jurisdiction is required to annually file with the Federal Communications Commission (FCC) to identify the services it provides and the states in which the company intends to offer services. CoreTel’s most recent filing with the FCC is dated April 1, 2024,<sup>4</sup> and it identifies Kansas as a state in which the company is certificated to do business.

CoreTel is a Domestic For-Profit Corporation currently “active and in good standing” with the Kansas Secretary of State’s Office.<sup>5</sup> It is also current with its Commission assessments and is actively registered with VPS. According to VPS’s Memorandum<sup>6</sup>, CoreTel is delinquent with its Fiscal Year 28 Company Identification and Operations form (Attachment B). According to both Commission and VPS Memorandum, CoreTel has not generated any revenue since it came into existence in the year 2009.

CoreTel is reminded of its obligations to file AI Reports and notify the Commission immediately of any change in address or contact telephone numbers. Below are Staff’s attempts to make contact with CoreTel to correct these delinquencies.

On January 30, 2024, Staff sent CoreTel an email containing a letter to [REDACTED] with instructions on how to submit the AI as a reminder that the due date was the beginning of May. On May 17, 2024, Staff sent CoreTel an email addressed to [REDACTED] containing a late notice letter.<sup>7</sup> Staff further advised the company that failure to file the 2023 AI no later than June 6, 2024 could result in Staff recommending the Commission open a show cause proceeding to cancel or revoke COC for failing to comply with the statute as authorized by K.S.A. 66-138.

Staff received no response and sent another email attaching all [two] company contacts on June 4, 2024. Staff called telephone number [REDACTED] and left a voice mail on June 6, 2024. On June 7, 2024, Staff followed up with another email asking for a response. On June 13, 2024, Staff placed a call to telephone number [REDACTED] (disconnected). Staff discovered the company telephone numbers the Commission has are outdated.

On June 17, 2024, Staff sent an email to an authorized agent and filer contact from VPS. The agent is the filer of the Attachment B for CoreTel. Staff received a read email notification, but no response. On June 18, 2024, Staff physically mailed the letter of final notice to the current company address on file: 213 South Main Street, Anderson, SC, 29624. On June 25, 2024, Staff sent out another email asking CoreTel to reach out to the Commission and that they need to turn in the

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<sup>4</sup> FCC Form 499 Filer Database, Core Communications, Inc. d/b/a CoreTel, Parent Company for CoreTel <https://apps.fcc.gov/cgb/form499/499detail.cfm?FilerNum=831558>, last viewed July 18, 2024.

<sup>5</sup> Kansas Secretary of State, CoreTel Kansas, Inc., <https://www.sos.ks.gov/eforms/BusinessEntity/Search.aspx>, last viewed July 17, 2024.

<sup>6</sup> Attachment 1, VPS KUSF MEMO, July 15, 2024.

<sup>7</sup> Attachment 2, Final Notice Letter, May 17, 2024.

Report by the end of the next day. The Commission exhausted all of its CoreTel contact information.

### **RECOMMENDATION**

CoreTel is not in compliance with K.S.A. 66-138, K.S.A. 66-123, and Commission Orders. The company should submit the 2023 AI Report that was due May 1, 2024 immediately. The company should also provide updated contact information and come into compliance with VPS.

Staff recommends the Commission issue an order to open a proceeding and require CoreTel to show cause why it should not be subject to sanctions, penalties, and/or fines and/or its COCs to provide CLEC and IXC services in Kansas should not be canceled, suspended, or revoked for failure to comply with its Kansas obligations. Staff also notes that given the company history for violations, any potential fines should be assessed with an amount greater than previously penalized.

## KUSF MEMO

Date: July 15, 2024  
To: Steve Garret, Deputy Chief of Telecommunications  
From: Nicole Stephens, KUSF Compliance Manager  
RE: CoreTel Kansas, Inc. – KUSF Account [REDACTED]

### **BACKGROUND**

This Memorandum provides KUSF reporting information to the Kansas Corporation Commission (Commission) for CoreTel Kansas, Inc. (CoreTel), KUSF Account No. [REDACTED]. CoreTel is registered with the KUSF as a CLEC.

CoreTel has been registered with the KUSF since 2009 and has elected the “Not Generating Kansas Intrastate Retail Revenue” reporting frequency election since that time. CoreTel has never reported revenue or owed assessment to the KUSF.

The March 2024 – February 2025 KUSF Fiscal Year (FY 28) Company Identification and Operations form (Attachment B) was due on April 15, 2024. Our records indicate that CoreTel is currently delinquent in submitting its FY 28 Attachment B form.

CoreTel currently has a zero balance on its KUSF account since it has never reported revenue to the KUSF.

Date: May 17, 2024

Re: **Failure to File 2023 Annual Interrogatory – \*FINAL NOTICE\***

It is essential that this Company file the statutorily required 2023 Annual Interrogatory with the KCC no later than **June 06, 2024**; regardless of whether the Company operated for a fractional part of the year and/or had zero revenue to report. This is a statutory requirement and the order granting the Company's Certificate of Convenience and Authority to provide service within the state of Kansas notified the Company of this filing requirement.

The form is available electronically on the Commission's website at <http://kcc.ks.gov/telecommunications/service-provider-forms>. The Commission encourages the use of electronic filing, which is available on the Commission's website at <https://puc.kcc.ks.gov/e-filing/e-express/>. If this was filed electronically and rejected, a rejection notice, including the reason for rejection, was sent to the filer. If you are unable to access the form, please contact DeeAnn Shupe by email [d.shupe@kcc.ks.gov](mailto:d.shupe@kcc.ks.gov) or by phone at 785-271-3266.

If the Company requests confidential treatment of any part of this filing, the standard for filing confidential material at the KCC is found in K.S.A. 66-1220a and the regulation is K.A.R. 82-1-221a. Provide a detailed explanation in the form of a cover letter for why the information should receive confidential treatment and cite the statute. Acceptance of the filing does not imply approval of requests for confidential designation. Confidential treatment of certain items may be subject to further Commission review.

If the Company is requesting confidential treatment of any portion of the filing, two copies must be filed, one as confidential and the other as public with the confidential information redacted. The confidential version should have CONFIDENTIAL stamped on the cover page and at the top of each page containing confidential information.

**If the 2023 Annual Interrogatory is not filed by June 06, 2024, Staff will recommend the Commission open a proceeding to show cause why the Company's Certificate of Convenience and Authority should not be canceled or revoked and, pursuant to K.S.A. 66-138, recommend the Commission consider levying a penalty to the Company**

If there are any questions regarding the filing of your 2023 Annual Interrogatory, Staff can be reached by email at [d.dolsky@kcc.ks.gov](mailto:d.dolsky@kcc.ks.gov) or [s.garrett@kcc.ks.gov](mailto:s.garrett@kcc.ks.gov)

cc: Steve Garrett – Chief of Telecommunications  
Drennan Dolsky – Telecommunications Analyst

**CERTIFICATE OF SERVICE**

25-CTKT-079-SHO

I, the undersigned, certify that a true and correct copy of the above and foregoing Notice of Filing was served via electronic service this 21st day of August, 2024, to the following:

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*Ann Murphy*

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