

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

Received  
on

**JUL 01 2011**

In the Matter of a Review of the Kansas )  
Lifeline Service Program (KLSP) to Determine )  
the Impact of the Increase in the Statewide )  
Affordable Residential Rate to Lifeline )  
Subscribers and Whether the \$7.77 Monthly )  
Credit Should Be Modified. )

by  
State Corporation Commission  
of Kansas  
Docket No. 11-GIMT-635-GIT

**REPLY COMMENTS OF AT&T**

COMES NOW Southwestern Bell Telephone Company d/b/a AT&T Kansas ("AT&T"), pursuant to the Commission's March 30, 2011 Order Opening Docket to Review the Kansas Lifeline Service Program ("KSLP"), and hereby submits its Reply Comments in the above captioned proceeding.

**BACKGROUND**

1. On March 30, 2011, the Commission initiated this proceeding to address the impact to Lifeline customers of rate increases pursuant to K.S.A. 2010 Supp. 66-2005(e)(1)(C), along with any other KSLP policy issues.

2. On April 7, 2011, the KCC Staff filed a report and recommendation on the issues to be addressed in comments. Staff recommended the KLSP credit not be changed, since the majority of Lifeline subscribers did not experience a local service rate increase. Staff recommended that comments address whether all Lifeline subscribers should pay a minimum of \$1.00 for monthly local service.

3. CURB was the only party to file Initial Comments in this docket. CURB does not oppose Staff's recommendation of no increase in the KLSP credit at this time, but opposes requiring KLSP customers to pay a minimum of \$1.00 for monthly local service.

## COMMENTS

4. AT&T agrees with Staff and CURB that no increase in the KLSP credit is required at this time, since the majority of Lifeline customers did not experience a local rate increase. Staff's April 7, 2011 Report and Recommendation at ¶ 16.

5. AT&T concurs with CURB's position opposing any requirement that KLSP customers pay a minimum of \$1.00 for monthly service. In Reply Comments filed May 10, 2011 in the FCC's Lifeline Reform Docket<sup>1</sup>, AT&T opposed a similar proposal.<sup>2</sup>

*Minimum consumer charge.* The Commission's proposal to require ETCs to collect some minimum monthly amount and/or minimum non-recurring amount from Lifeline customers was panned by many commenters, and rightfully so. While the Commission's stated rationale for this proposal ('to guard against waste, fraud, and abuse in the Lifeline program by ensuring that low-income households have the incentive to make appropriate use of their Lifeline-supported services. . .') makes little sense, its effect, if adopted, is clear. The Commission's action could drive prepaid wireless ETCs out of the Lifeline program. Prepaid wireless providers like TracFone have 'no existing billing systems and no present ability to bill and collect such charges.' If the Commission adopts this rule, TracFone and others 'would either have to invest in a carrier billing system unnecessary for any other aspect of its business to render bills for as little as \$1.00, or it would have to discontinue providing Lifeline service.' While AT&T would not be directly affected by this proposed rule if the Commission adopts it, as we do not have a prepaid wireless Lifeline Service offering, we must nonetheless object to the senselessness of this proposal. The Commission should be trying to encourage more providers using different business models, to participate in the low-income program in order to increase consumer choice. This proposal seems likely to have the opposite effect.<sup>3</sup>

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<sup>1</sup> Notice of Proposed Rule Making, *In the Matter of Lifeline and Link Up Reform and Modernization, Federal-State Joint Board on Universal Service, Lifeline and Link Up*, WC Docket No. 11-42, CC Docket No. 96-45, WC Docket No. 03-109, FCC 11-32 (rel. March 4, 2011).

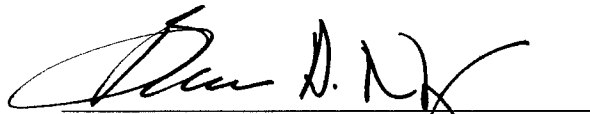
<sup>2</sup> Reply Comments of AT&T, *In the Matter of Lifeline and Link Up Reform and Modernization, Federal-State Joint Board on Universal Service, Lifeline and Link Up*, WC Docket No. 11-42, CC Docket No. 96-45, WC Docket No. 03-109, FCC 11-32.

<sup>3</sup> *Id.* at pp. 22-23. (Citations omitted).

6. In addition, implementing a \$1.00 minimum monthly charge for KLSP customers would have no significant impact on the Kansas Universal Service Fund ("KUSF") or on the KUSF assessments levied on other Kansas non-KLSP consumers.

7. Accordingly, AT&T urges the Commission to adopt Staff's recommendation of no increase in the KLSP credit at this time; and, reject a \$1.00 minimum monthly charge for all KLSP customers.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Bruce A. Ney", written over a horizontal line.

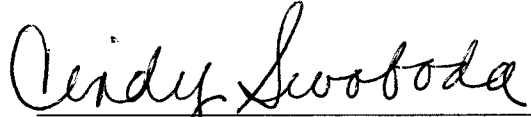
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Attorney for Southwestern Bell Telephone  
Company d/b/a AT&T

**VERIFICATION**

STATE OF KANSAS        )  
                                  ) ss:  
COUNTY OF SHAWNEE )

I, Cindy Swoboda, of lawful age, and being first duly sworn, now state: I am the Area Manger – Regulatory Relations, and have read the above Reply Comments of AT&T, and verify the statements contained herein to be true and correct to the best of my knowledge and belief.

  
\_\_\_\_\_  
Cindy Swoboda

Subscribed and sworn to before me this 1<sup>st</sup> day of July, 2011.



  
\_\_\_\_\_  
Notary Public

My Appointment Expires: January 26, 2015

**CERTIFICATE OF SERVICE**

I hereby certify that a correct copy of AT&T's Reply Comments was sent via U.S. Mail, postage paid or hand-delivered on this 1<sup>st</sup> day of July, 2011, to the following:

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Litigation Counsel, Telecommunications  
Kansas Corporation Commission  
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\*\*\*HAND-DELIVER\*\*\*

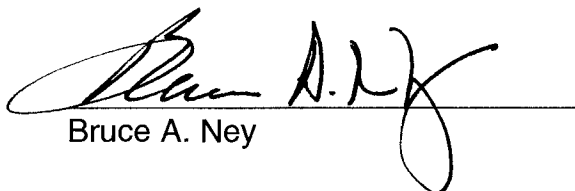
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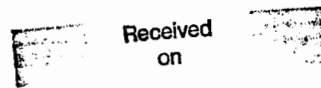
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July 1, 2011

Patti Petersen-Klein  
Executive Director  
Kansas Corporation Commission  
1500 SW Arrowhead Road  
Topeka, Kansas 66604-4027



**JUL 01 2011**

by  
State Corporation Commission  
of Kansas

Re: KCC Docket No. 11-GIMT-635-GIT

Dear Ms. Duffy:

Enclosed you will find an original and seven copies of AT&T's Reply Comments, for filing in the above referenced docket.

Sincerely,

Bruce A. Ney  
General Attorney

BAN:jw  
Enclosures

cc: Parties of Record