

BEFORE THE STATE CORPORATION COMMISSION  
OF THE STATE OF KANSAS

Received  
on

DEC 10 2012

In the Matter of a General Investigation to )  
Review and Determine Whether the Kansas )  
Universal Service Fund (KUSF) Should )  
Support all Lines or be Limited to a Primary )  
Line, Whether KUSF Support Available to )  
Competitive Eligible Telecommunications )  
Providers Should be Limited, and Other )  
Appropriate Issues Related to Initial or )  
Supplemental KUSF Support. )

by  
State Corporation Commission  
of Kansas

Docket No. 13-GIMT-260-GIT

**COMMENTS OF THE CITIZENS' UTILITY RATEPAYER BOARD**

COMES NOW the Citizens' Utility Ratepayer Board ("CURB") and files the following comments in this docket related to the Kansas Corporation Commission's ("KCC" or "Commission") October 25, 2012, Order ("KUSF Order") soliciting comments concerning the Kansas Universal Service Fund ("KUSF").

**I. INTRODUCTION**

1. After reviewing the Commission's order filed in this docket, CURB offers these comments. CURB will not address all the issues put forth but will address only selected issues.

**II. INITIAL COMMENTS**

2. CURB continues to support the implementation of a primary line process for the same reasons it urged the Commission to adopt a primary line requirement in

Docket No. 99-GIMT-326-GIT ("326 Docket").<sup>1</sup> This recommendation is done with the full understanding that, to date, no proposal has been put forth that offers a simple solution. In the 326 Docket, CURB suggested five criteria for evaluating any primary line proposals. Those criteria were:

- a) Does the proposal allow for sufficient funding to provide universal service throughout Kansas?
- b) Does the proposal provide sufficient incentives for competitive local exchange carriers ("CLECS") to enter the Kansas market?
- c) Does the proposal limit the size and growth of the KUSF to reasonable levels?
- d) Is the proposal relatively easy to implement?
- e) Does the proposal appear relatively easy to administer?<sup>2</sup>

3. In the 326 Docket, based on the above five criteria, CURB supported what was referred to as Proposal #2. Proposal #2 was summarized by Staff in a Staff Memorandum, Section B.3, as follows:

Under Proposal 2 all Eligible Telecommunications Carriers (ETCs) would share in KUSF support payments. One of the main differences is that the plan looks at the primary line furnished by each carrier. So if a customer had one line from the ILEC and a second one from the CLEC, the support would be shared by the two companies, rather than one carrier getting all the support and none for the second carrier. If a carrier provides two lines to a customer, it would report only the first line for KUSF support purposes. The total KUSF support would be capped for the service area (most likely an exchange or zone), and divided among the carriers based upon their share of primary lines. Since carriers would only be responsible for counting their own primary lines, they will not need to coordinate with other carriers since customers would not be making a primary line designation.<sup>3</sup>

4. CURB continues to support this basic framework. As CURB stated in the 326 Docket:

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<sup>1</sup> Comments of CURB, May 12, 2000, pp. 1-3, 326 Docket; Comments of CURB, November 15, 2001, pp. 1-3; Reply Comments of CURB, December 14, 2001, pp. 1-3, 326 Docket.

<sup>2</sup> Comments of CURB, November 15, 2001, pp. 1-2, 326 Docket.

<sup>3</sup> Staff Memorandum, Sept. 19, 2001, p. 15, 326 Docket.

...Proposal #2 adequately addresses the need to support universal service in all areas of Kansas, provides adequate incentives for CLECs to enter the Kansas market and helps prevent unreasonable growth in the KUSF. At the same time it will be virtually transparent to consumers and the implementation and administration of the proposal appears to be much simpler than Proposal #1.<sup>4</sup>

### III. RESPONSE TO COMMISSION QUESTIONS

*A. Should KUSF support be limited to one-line, per customer (household or business), per carrier, or alternatively, be limited to one-line, per customer.*

5. CURB does not oppose limiting KUSF support to one-line per household or business or even to one address. However, to date CURB has not seen a plan that accomplishes this without extensive customer education and participation. CURB would welcome reviewing any proposals put forth that allows for specifically targeted KUSF support and remains relatively simple to implement.

*B. Could KUSF support be capped at an amount for a service area (or even the wire center or zone level in AT&T and CenturyLink service areas) and allocated between providers eligible for KSF support in that area?*

6. CURB is not aware of any specific prohibitions against capping the KUSF amount for competitive ETCs and allocating the amount between providers in a service area. This is in essence what Proposal #2, as discussed above recommends. While not providing specifically targeted KUSF support, this method does reduce customer education and involvement.

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<sup>4</sup> Reply Comments of CURB, Dec. 14, 2001, p. 1.

C. *If more than one business or household has the same address, how would the primary line be identified? Alternatively, should only one line be supported per address, regardless of the number of businesses or households at the same address?*

7. Under proposal #2, the LECs are responsible for reporting primary lines, one for each address, household, or business, however ultimately defined.

D. *What administrative steps, costs, and benefits, may be associated with each approach?*

8. CURB will not address this issue at this time and looks forward to reviewing any comments put forth by the directly impacted LECs.

E. *Do any Kansas statutes need to be modified for the Commission to implement a primary line approach?*

9. CURB is not aware of any reason Kansas statutes need to be modified for the Commission to implement proposal #2.

F. *In consideration of the FCC's decision to eliminate Federal USF support for competitive ETCs, should the Commission take similar steps with regard to the KUSF?*

10. Ultimately, yes. However, while the easiest approach may be to mirror the FCC's schedule, CURB does recommend that the Kansas specific marketplace be examined to see if the FCC schedule is appropriate for Kansas. Any state USF support for competitive ETCs should be phased out over an appropriate time period to avoid disruptions in the Kansas marketplace.

*G. Any other items that the parties may believe are relevant to the payment of supplemental KUSF support related to access line growth?*

11. CURB will not address additional issues at this time but does reserve the right to address all issues in any subsequent proceedings in this docket.

#### **IV. CONCLUSION**

12. WHEREFORE, CURB requests that the Commission accept and review these comments in the ongoing deliberations in this docket.

Respectfully submitted,



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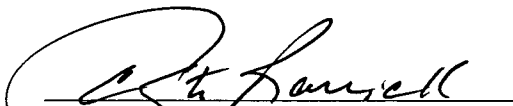
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STATE OF KANSAS )

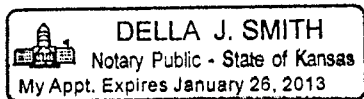
COUNTY OF SHAWNEE ) ss:

I, C. Steven Rarrick, of lawful age, being first duly sworn upon his oath states:

That he is an attorney for the Citizens' Utility Ratepayer Board, that he has read the above and foregoing document, and, upon information and belief, states that the matters therein appearing are true and correct.

  
C. Steven Rarrick

SUBSCRIBED AND SWORN to before me this 10<sup>th</sup> day of December, 2012.



  
Notary Public

My Commission expires: 01-26-2013.

**CERTIFICATE OF SERVICE**

13-GIMT-260-GIT

I, the undersigned, hereby certify that a true and correct copy of the above and foregoing document was served by electronic service this 10<sup>th</sup> day of December, 2012, to the following parties who have waived receipt of follow-up hard copies:

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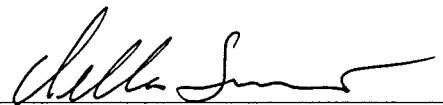
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A handwritten signature in cursive script, appearing to read "Della Smith", written over a horizontal line.

Della Smith  
Administrative Specialist