

COLLEEN R. JAMISON
JAMISON LAW, LLC

October 10, 2022

Lynn M. Retz, Executive Director
Kansas Corporation Commission
1500 SW Arrowhead Rd.
Topeka, KS 66604

RE: Petition for General Investigation Telephone
Commission Treatment of A-CAM Federal USF funding
In an individual company KUSF determination

Dear Ms. Retz:

Attached for filing please find Petition requesting the Commission open a General Investigation to determine how the Commission would treat Federal A-CAM funding in the context of an individual company's determination of that company's KUSF support receipts.

We are aware of and sympathetic to the Commission's Staff shortage and workload at the present time and are under no expectation that the Commission set an immediate procedural schedule as a result.

If you have any questions, please let me know.

Sincerely,

JAMISON LAW, LLC

Colleen R. Jamison

Colleen R. Jamison

Att.

cc: Tom Gleason
Mark Doty
Michael Neeley
Ahsan Latif
Sandy Reams

BEFORE THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

In the Matter of a Request for a General)
Investigation to Determine the)
Commission’s Treatment of Alternative) Docket No. 23-GIMT- 392 -GIT
Connect America Cost Model (ACAM))
Federal Universal Service Fund Support in)
the Context of an Individual Company)
Kansas Universal Service Fund Support)
Determination.)

**REQUEST FOR A GENERAL INVESTIGATION TO DETERMINE THE
COMMISSION’S TREATMENT OF ACAM FEDERAL UNIVERSAL SERVICE FUND
SUPPORT IN THE CONTEXT OF AN
INDIVIDUAL COMPANY KUSF SUPPORT DETERMINATION**

COME NOW the Rural Local Exchange Carriers (“RLECs”)¹ and for their request for the Commission to open a general investigation docket to determine how the Commission will treat Alternative Connect America Cost Model (“ACAM”)² support:

1. In 1996, Congress passed the landmark legislation known as the Telecommunications Act of 1996 (“TA ’96”). Among other things, the TA ’96 required that the implicit subsidies inherent in above-cost business, urban, and access rates (which implicitly supported below-cost residential and rural rates) be made explicit through direct support to companies and charged the Federal Communications Commission (“FCC”) with the

¹ The “RLECs” are the following companies: Blue Valley Tele-Communications, Inc., Columbus Communications Services, LLC, Craw-Kan Telephone Cooperative, Inc., Cunningham Telephone Co., Inc., Golden Belt Telephone Association, Inc., Gorham Telephone Co., Inc., H&B Communications, Inc., Haviland Telephone Co., Inc., Home Telephone Co., Inc. JBN Telephone Company, Inc., KanOkla Telephone Association, LaHarpe Telephone Co., Inc., Madison Telephone, LLC, Moundridge Telephone Co., Inc., Peoples Telecommunications, LLC, Pioneer Telephone Association, Inc., Rainbow Telecommunications Association, Inc., S&A Telephone Co., LLC, S&T Telephone Cooperative Association, Inc., South Central Telephone Association, Inc., Southern Kansas Telephone Co., Inc., Totah Communications, Inc., Tri-County Telephone Association, Inc., Twin Valley Telephone, Inc., United Telephone Association, Inc., Wamego Telecommunications Co., Inc., Wilson Telephone Co., Inc., and Zenda Telephone Co., Inc.

² There are three separate and distinct funds – ACAM, Revised ACAM, and ACAM II.

administration of the act and the Federal Universal Service Fund (“FUSF”). The FUSF was and is several distinct and separate funds supporting differing pieces of communications networks.

2. At the FUSF’s 1996 inception, rural local exchange carriers, most of which operated and continue to operate under traditional rate of return regulation, received what the FCC now calls “legacy” support which is made up of five separate and distinct funds for distinct purposes: Frozen High Cost Support, High Cost Loop (“HCL”) support, Interstate Common Line (“ICLS”) support, ICC Recovery, and Safety Valve (“SVS”) support.

3. According to the website of the administrator of the FUSF, the Universal Service Administrative Company (“USAC”), “HCL support provides support for the last mile of connection for rural companies in service areas where the cost to provide this service exceeds 115 percent of the national average cost per line.”³ Similarly, USAC states that “ICLS helps to offset interstate access charges and is designed to permit each rate-of-return carrier to recover its common line revenue requirement, while ensuring that its subscriber line charges (SLCs) remain affordable to its customers.”⁴ Finally, USAC states that “SVS is additional support above the HCL cap that is available to rural carriers that acquire high-cost exchanges and make substantial post-transaction investments to enhance network infrastructure.”⁵ These funds have both interstate and intrastate elements.

4. In late 2011 the FCC began the process of converting traditional, legacy FUSF support to support that would more accurately reflect the changing communications landscape in

³ <https://www.usac.org/high-cost/funds/high-cost-loop/>

⁴ <https://www.usac.org/high-cost/funds/interstate-common-line-support/>

⁵ <https://www.usac.org/high-cost/funds/safety-valve-support/>

the US. To do this, the FCC issued the massive (over 700 pages) Connect America Fund Order, 76 FR 78384 (12/16/2011), FCC-11-161.

5. In 2016, the FCC released the Rate of Return Reform Order, 81 FR 21511 (04/12/2016), FCC-16-33 in which it established the Alternative Connect America Cost Model, or ACAM funding which “provide[d] funding to rate-of-return carriers that voluntarily elected to transition to a new cost model for calculating High Cost support in exchange for meeting defined broadband build-out obligations.”⁶ Two years later in 2018 the FCC released the 2018 Rate of Return Order which established the Revised ACAM cost model, and also established the ACAM II cost model. All of the ACAM support models are intended to replace legacy support mechanisms with support streams assigned to the interstate and the intrastate jurisdictions for accounting purposes.

6. While there are several RLECs in Kansas that have elected a version of ACAM support, no company electing ACAM support has yet had its KUSF support receipts determined in an individual company proceeding, whether initiated by the company or the Commission. As the Commission’s Staff noted in its September 16, 2021, Report and Recommendation in Docket No. 21-GIMT-354-GIT “A-CAM recipients suggest that only a portion of their A-CAM support should be reflected in a KUSF audit since it supports intrastate and interstate voice service, as well as interstate broadband service. *Whether all or a percentage of A-CAM support should be recognized in a KUSF audit is a question that will need to be addressed at some time.*”

7. There are currently no Commission-established guidelines for assignment of this federal support to the local, intrastate, or interstate jurisdictions. This lack of an objective standard recognizing the interstate portion of that support, and the lack of clear, fair jurisdictional

⁶ <https://www.usac.org/high-cost/funds/acam/>

treatment creates uncertainty which makes it more difficult to evaluate longer-term plans for new investment or to evaluate any further ACAM options the FCC may make available.

WHEREFORE, the RLECs request the Commission open a general investigation to determine how, in the context of an individual company determination of receipt of KUSF support, the Commission will treat ACAM support receipts, and for such other and further relief as the Commission deems just and equitable.

Respectfully submitted,

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Southern Kansas Telephone Co., Inc.

Total Communications, Inc.

Twin Valley Telephone, Inc.

Wamego Telecommunications Co., Inc.

Wilson Telephone Co., Inc.

Zenda Telephone Co., Inc.

VERIFICATION

I, the undersigned, hereby certify under penalty of perjury pursuant to K.S.A. 53-601 that I am an attorney for the companies listed above and that the foregoing is true and correct. Executed on October 10, 2022.

Colleen R. Jamison

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