

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PETITION OF SMART CONNECTIONS,)
INC. FOR DESIGNATION AS AN ELIGIBLE) CASE NO. 2010-00138
TELECOMMUNICATIONS CARRIER IN THE)
COMMONWEALTH OF KENTUCKY)

FIRST DATA REQUEST OF COMMISSION STAFF
TO SMART CONNECTIONS, INC.

Smart Connections, Inc. ("Smart Connections"), pursuant to 807 KAR 5:001, is to file with the Commission the original and 10 copies of the following information, with a copy to all parties of record. The information requested herein is due on or before September 30, 2010. Responses to requests for information shall be appropriately bound, tabbed and indexed. Each response shall include the name of the witness responsible for responding to the questions related to the information provided.

Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

Smart Connections shall make timely amendment to any prior response if it obtains information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to which Smart Connections fails or refuses to furnish all or part of the requested information, Smart

Connections shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention should be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations.

1. Is Kentucky the only state in which Smart Connections currently operates? If not, list the states.

2. List all states in which Smart Connections has received Eligible Telecommunications Carrier (“ETC”) status. Also list all pending ETC petitions, with docket numbers and the state in which the designation is requested.

3. Has Smart Connections filed for ETC status in any state and subsequently withdrawn the petition or been denied ETC status? If so, list the state, docket number and Smart Connections’ reason for seeking withdrawal of the petition for that state.

4. How many Kentucky residential and business customers does Smart Connections presently serve? Provide the number of residential and business customers and whether they are provided service through Unbundled Network Elements (“UNEs”) pursuant to 47 U.S.C. § 251 commingled with 47 U.S.C. § 271 elements, resale, or wholesale local platform pursuant to a commercial agreement.

5. Does Smart Connections presently serve any Lifeline customers through resale in Kentucky?

6. If Smart Connections receives ETC designation in Kentucky, approximately how long will it take for Smart Connections to offer Lifeline service in the area in which it receives the ETC designation? Elaborate on any extenuating or special circumstances.

7. Do Smart Connections customers have access to competitive directory assistance providers, as defined as by 47 C.F.R. § 54.101(a)(8)? If not, explain why.

8. Smart Connections' tariff states that: "Customers will have access to local operator services within the limitations imposed by the presence of the underlying carrier's toll restriction and billed number screening services." Explain the purpose for this tariff policy.

9. Does Smart Connections understand that there may be an audit by the Commission of the use of universal service funds and that the eligible telecommunications service designation may be reviewed annually?

10. Has Smart Connections been audited by other state utility commissions regarding its use of universal service funds? If so, list the state and the result of the audit.

11. Does Smart Connections have any outstanding complaints at any state commissions or at the Federal Communications Commission ("FCC")? Provide detailed documentation of any complaint filed with a state commission or at the FCC in the past three years.

12. Provide a description of Smart Connections' corporate structure, with both names and titles. Also provide a list of Smart Connections' owners or corporate officers and indicate if any are also owners, corporate officers or employees of any other telecommunications companies.

13. Provide an example of a typical Smart Connections residential and business customer bill. What is the average residential bill in Kentucky?

14. Will Smart Connections seek toll limitation service reimbursement from Universal Service Administrative Company ("USAC") if granted ETC status? If yes, provide a detailed list of the incremental costs it will be claiming, along with a detailed description to support the amounts to be claimed.

15. Will Smart Connections seek Link-Up reimbursement from USAC if granted ETC status? If yes, list the amount per customer Smart Connections would be claiming.

16. Will Smart Connections seek Lifeline reimbursement from USAC if granted ETC status? If yes, list the amount per customer Smart Connections would be claiming.

17. Will Smart Connections seek Lifeline reimbursement from the Kentucky Universal Service Fund if granted ETC status? If yes, list the amount per customer Smart Connections would be claiming.

18. Are all Smart Connections' offerings bundled packages? Will Smart Connections provide the \$13.50 Lifeline discount to any bundle a customer chooses?

19. Does Smart Connections maintain separate books/general ledgers for each state in which it operates? Where are the books/general ledgers for Kentucky customers maintained? Provide the physical address, office phone number, and name and title of employee responsible for maintaining those books/ledgers.

20. Provide the number of requests for service from potential customers in Kentucky that were unfulfilled by Smart Connections in the previous calendar year.

21. Provide the address (URL) to the Smart Connections website, if there is one.

22. What recurring and nonrecurring costs will a new Lifeline customer incur from becoming a Smart Connections customer over the period of a year?

23. Provide any resale or commercial agreements you currently have in Kentucky with other telecommunications carriers. Include signed evidence of the agreements, along with invoices detailing both UNE and resale charges.

24. Describe the process by which Smart Connections orders a 47 U.S.C. § 251 loop and commingles it with 47 U.S.C. § 271 elements to provide service. Provide copies of orders or contracts that show the process.

25. As a condition of receiving local service, are Smart Connections residential customers required to subscribe to Smart Connection's long-distance services?

26. Describe Smart Connections' local usage plans pursuant to 47 C.F.R. § 54.101(a)(2). If phone service is offered in a bundled package, describe and enumerate the wireline local component (charge for local phone service) on which universal service compensation would be based.

27. Does Smart Connections understand that any resold Lifeline or Link-Up service purchased through another carrier cannot be claimed by Smart Connections for reimbursement from USAC?

28. Provide the name of the person (with business title) and/or entity that will be filing the Form 497 with USAC if Smart Connections obtains ETC status.

29. Does Smart Connections provide service to its customers via a prepaid service? If so, what percentage of its customers receive their service via a prepaid service?

30. Provide Smart Connections' purpose for requesting ETC status in Kentucky. What does the company hope to achieve? Why not just purchase resale Lifeline access

lines from your underlying carrier if the purpose of ETC designation is solely to provide Lifeline and Link-Up?

31. Have any owners, officers, or managers of Smart Connections been involved in any bankruptcy proceedings? If so, provide details as to the name of the person, the date on which the petition was filed, the case number and the name of the federal court district where the petition was filed.

32. Have any owners, officers, or managers of Smart Connections been charged or convicted of a criminal offense during the last 10 years (either state or federal)? If so, provide details as to the name of the person, the dates of each charge, the case number and the name of the state or federal court district where the charges or convictions occurred.

33. Identify any civil litigation in which a Smart Connections owner, officer, or manager has been deposed or has been a plaintiff, a defendant, or a witness within the last 10 years.

34. Are customers who reconnect service with the company required to pay the past-due bill and a reconnection fee prior to receiving service? Are Lifeline customers allowed to pay past-due amounts over time? If so, describe the terms of such payments. Are Lifeline customers charged a reconnection fee?

35. Does Smart Connections use agents or other retailers to market and sell its service? Provide a list.

36. Describe the process that Smart Connections intends to use to sign up customers for Lifeline. Will Smart Connections verify the customer's eligibility in the designated programs?

37. Will Smart Connections be willing to advertise Lifeline and Link-Up availability in other languages beside English? If yes, name the other languages.

38. Does Smart Connections have any telecommunications facilities used to provide local exchange service? If so, give a description and location.

39. Will Smart Connections be using any subcontractors (operations, call centers, etc.) to provide the required services? If so, provide the name of each company and physical address.

40. On page 6 of the application, Smart Connections states that “[t]he FCC has concluded that even pure resellers may qualify as an ETC and properly use universal service support for the purposes for which it was intended by offering reduced price Lifeline Service.” Why did Smart Connections include this comment in its application? Does Smart Connections propose not to meet the facilities-based requirements under 47 U.S.C. § 214(e)(1)(a)?

41. On page 9 of the application, Smart Connections states that, as of December 31, 2006, fewer than 20 percent of consumers eligible for Lifeline and Link-Up services in Kentucky were being provided such services. Does Smart Connections have any more recent statistics? If yes, provide the name of the source of those statistics and the date of the publication of those statistics.

42. On page 8 of the application, Smart Connections states that it is willing to accept Carrier of Last Resort obligations throughout the universal service areas in which Smart Connections is designated an ETC by the Commission. Provide details of how Smart Connections would accomplish Carrier of Last Resort obligations.

43. On page 8 of the application, Smart Connections states that it will provide equal access to interexchange service. Does Smart Connections offer pre-subscription to other interexchange carriers?

44. Smart Connections is currently registered as a long-distance carrier in Kentucky. Does Smart Connections intend to provide long-distance service and does Smart Connections intend to file a tariff?

45. Smart Connections' tariff states: "The Company's service cannot be used to access interexchange carriers for interLATA, intraLATA, interstate, or international calling or access caller-paid information services (e.g., 900, 976). All 1+, 0+, 0-, and other numbers used for caller-paid services will be blocked by the Company through the underlying carrier's switch." On page 5 of the application, Smart Connections states that it provides long-distance service to its customers. Explain the discrepancy.

46. Does Smart Connections understand that Kentucky allows consumers to qualify for Lifeline only under certain income guidelines?

47. Kentucky currently requires that all ETCs perform an audit of all customers receiving Lifeline benefits. Each customer must provide proof of eligibility. Does Smart Connections agree to audit all Lifeline customers each year rather than conduct a yearly audit of only a sample of customers?



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cc: Parties of Record

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