

**COMMONWEALTH OF KENTUCKY**  
**BEFORE THE PUBLIC SERVICE COMMISSION**

**In the Matter of:**

<b>AN INQUIRY INTO THE STATE</b>	)	<b>CASE NO.</b>
<b>UNIVERSAL SERVICE FUND</b>	)	<b>2016-00059</b>

**RESPONSES TO COMMISSION STAFF'S FIRST REQUEST  
FOR INFORMATION TO MCLEOD USA TELECOMMUNICATIONS SERVICES,  
LLC; NETWORK TELEPHONE LLC; PAETEC COMMUNICATIONS, LLC; TALK  
AMERICA LLC; THE OTHER PHONE COMPANY, LLC; US LEC OF TENNESSEE,  
LLC; WINDSTREAM COMMUNICATIONS, LLC; WINDSTREAM KDL, LLC;  
WINDSTREAM KENTUCKY EAST, LLC; WINDSTREAM KENTUCKY WEST, LLC;  
WINDSTREAM NORLIGHT, LLC; WINDSTREAM NTI, LLC; AND WINDSTREAM  
NUVOX, LLC**

**DATED APRIL 6, 2016**

**Filed on: April 27, 2016**

**COMMONWEALTH OF KENTUCKY**  
**BEFORE THE PUBLIC SERVICE COMMISSION**

In the Matter of:

AN INQUIRY INTO THE STATE'S UNIVERSAL ) CASE NO.  
SERVICE FUND ) 2016-00059


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**VERIFICATION OF JEANNE SHEARER**


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STATE OF PENNSYLVANIA )  
  )  
COUNTY OF LANCASTER )

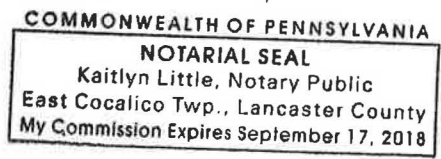
Comes now Jeanne Shearer, Regional Vice President of State Government Affairs for the Northeast Region of Windstream, after being duly sworn, and states that the foregoing prepared responses to data requests are true and correct to the best of her knowledge, information and belief as of the date set forth above.

  
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Jeanne Shearer  
RVP- State Government Affairs

The foregoing Verification was signed, acknowledged and sworn to before me this 22nd day of April, 2016, by Jeanne Shearer.

  
\_\_\_\_\_  
NOTARY PUBLIC, Notary # 1285758

My Commission expires: Sept 17th 2018



**WINDSTREAM COMPANIES**

**PSC CASE NO. 2016-00059**

**RESPONSE TO INFORMATION REQUEST**

**PSC REQUEST FOR INFORMATION DATED 04/06/16**

**REQUEST 1**

**RESPONSIBLE PARTY: Jeanne Shearer, Regional V.P. , State Government Affairs on behalf of the Windstream Companies.**

**Request 1.** Refer to the Direct Testimony of Jeanne Shearer, page 4, lines 13-15, which set forth two recommendations contained in basic principle No. 2. Provide details regarding the two recommendations.


**Response 1.** The referenced testimony describes some of the principles which Windstream maintains a state fund should follow, specifically: “providers should contribute in a competitively and technology-neutral manner, and provider discretion on paying into the fund should be minimized through clear mandates.” These particular principles go to notions of fairness, the very purpose of the fund (here, a Lifeline fund supporting voice service) and the fund’s basic structural integrity. If providers of voice service using one type of technology pay the Lifeline surcharge but providers using a different technology for voice services do not, the latter may have an artificial and unjustified competitive advantage. Further, if there is a significant migration of services to the latter technology, fund receipts may suffer and the universal service aims of the fund could be thwarted. Likewise, if a provider has too much discretion in addressing its funding obligation, for example, by effectively paying less into the fund than a provider using different technology to provide substantially similar service, that too could pose an unfair competitive advantage, cause fund receipts to decrease and hinder the fund’s purpose and stability. The Commission should therefore ensure that all voice service

providers contribute their fair share into the fund and that the Commission's funding directives and instructions are clear.

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CERTIFICATE OF SERVICE

This is to certify that foregoing electronic filing is a true and accurate copy of the document being filed in paper medium; that the electronic filing was transmitted to the Commission on April 27, 2016; that there are currently no parties that the Commission has excused from participation by electronic means in this proceeding; and that a copy of the filing in paper medium is being hand delivered to the Commission on the 28<sup>th</sup> day of April.

  
L. Allyson Honaker