

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PETITION OF AT&T KENTUCKY FOR)	
ORDER CONFIRMING RELINQUISHMENT)	
OF ELIGIBLE TELECOMMUNICATIONS)	CASE NO.
CARRIER DESIGNATION IN)	2017-00416
SPECIFIED AREAS)	

ORDER

On November 26, 1997, the Commission granted the request of BellSouth Telecommunications, LLC d/b/a AT&T Kentucky (“AT&T Kentucky”) for designation as an Eligible Telecommunications Carrier (“ETC”) authorized to receive federal Universal support for Lifeline wireless customers.¹ On October 20, 2017, AT&T Kentucky petitioned the Commission (“Petition”), pursuant to 47 U.S.C. § 214(e)(4), for relinquishment of its ETC status in some, but not all, of Kentucky (“Designated Relinquishment Areas”).² AT&T Kentucky intends to retain ETC status in certain census blocks outside the Designated Relinquishment Areas in order to provide broadband service to high cost, primarily rural, areas in Kentucky.

The joint motion to intervene filed by Airvoice Wireless, American Broadband and Telecommunications Company, Boomerange Wireless, i-wireless LLC, Ready Wireless,

¹ Case Nos. 355 and 360, *An Inquiry into Local Competition, Universal Service, and the Non-Traffic Sensitive Access Rate, and Inquiry into Universal Service and Funding Issues* (Ky. PSC Nov. 26, 1997).

² See Petition, Exhibits A and B. Exhibit A describes AT&T Kentucky’s current ETC service area by wirecenter that was approved by the Commission. Exhibit B sets forth the census blocks for which AT&T Kentucky will retain ETC designation.

SI Wireless, LLC, and Telrite Corporation (“Wireless ETCs”) was granted. AT&T Kentucky responded to one round of discovery from the Wireless ETCs. On February 26, 2018, AT&T Kentucky and the Wireless ETCs filed a joint motion for waiver of hearing and request for expedited treatment (“Joint Motion for Waiver”). In the Joint Motion for Waiver, the parties explained that the Wireless ETCs intervened to highlight their argument that the majority of Kentucky Lifeline subscribers rely on wireless ETCs. The Wireless ETCs assert that it would be a policy mistake to curtail wireless ETC’s ability to participate in Kentucky’s Universal Service Fund (“KUSF”), which is an issue before the Commission in a separate proceeding.³

In its Petition, AT&T Kentucky, an incumbent local exchange carrier, stated that relinquishment of ETC status will not affect the availability of its retail legacy voice service. AT&T Kentucky asserted that the only impact of its request is that customers in the Designated Relinquishment Areas will no longer receive the Lifeline discount on voice service from AT&T Kentucky. AT&T Kentucky explained that customers in the Designated Relinquishment Areas can continue to receive service at standard AT&T Kentucky rates or can choose to receive a Lifeline discount from another ETC.

AT&T Kentucky stated that its request to relinquish ETC status is based on changes in the marketplace and customer demand. AT&T Kentucky explained that its wireline residential customer base, which includes wireline Lifeline subscribers, has decreased substantially because customers are replacing wireline service with wireless and voice over Internet protocol services. AT&T Kentucky further explained that the

³ See Case No. 2016-00059, *An Inquiry into the State Universal Fund* (Ky. PSC Apr. 20, 2017) (granting rehearing of determination that KUSF for Lifeline service would be limited to wireline providers only).

number of AT&T Kentucky's Lifeline subscribers in Kentucky decreased by 91 percent since 2008. As of June 2017, AT&T Kentucky served less than one percent of Kentucky's 202,915 Lifeline subscribers.

Under 47 U.S.C. § 214(e)(4), a State commission shall permit a carrier to relinquish its ETC designation in any area served by more than one ETC. Following relinquishment of AT&T Kentucky's ETC designation, there will continue to be at least 14 ETCs that provide Lifeline service in the Designated Relinquishment Areas.⁴ Because other ETCs currently serve the Designated Relinquishment Areas, notice need not be provided to those carriers to permit them to purchase or construct facilities to ensure that customers will continue to receive service. AT&T Kentucky stated that it will provide customer notification in a separate letter sent by U.S. mail to each of its Lifeline customers in the Designated Relinquishment Areas no later than 60 days prior to the proposed relinquishment effective date of August 14, 2018. AT&T Kentucky further stated that it will send a second notice letter and a bill message at least 15 days prior to the relinquishment date. The notices will advise each customer in the Designated Relinquishment Areas that AT&T Kentucky plans to discontinue service on August 14, 2018, and that service can be obtained from other providers. 47 U.S.C. § 214 (e)(4) states in part:

A State commission . . . shall permit an eligible telecommunications carrier to relinquish its designation as such a carrier in any area served by more than one eligible telecommunications carrier. An eligible telecommunications carrier that seeks to relinquish its eligible telecommunications carrier designation for an area served by more than one eligible telecommunications carrier shall give advance notice to the State commission . . . of such relinquishment. Prior to

⁴ Petition, paragraph 21. There are at least 14 ETCs in the Designated Relinquishment Areas, with up to 19 ETCs serving some, but not all, of the Designated Relinquishment Areas.

permitting a telecommunications carrier designated as an eligible telecommunications carrier to cease providing universal service in an area served by more than one eligible telecommunications carrier, the State commission . . . shall require the remaining eligible telecommunications carrier or carriers to ensure that all customers served by the relinquishing carrier will continue to be served, and shall require sufficient notice to permit the purchase or construction of adequate facilities by any remaining eligible telecommunications carrier. The State commission . . . shall establish a time, not to exceed one year after the State commission approves such relinquishment under this paragraph, within which such purchase or construction shall be completed.

Based on the evidence and having been sufficiently advised, the Commission finds that, pursuant to 47 U.S.C. § 214(e)(4), there is more than one ETC in the Designated Relinquishment Areas, and those carriers have sufficient facilities for the provision of service. The Commission also finds that AT&T Kentucky will provide sufficient notice to its customers to enable those customers to seek alternative service providers.

IT IS THEREFORE ORDERED that:

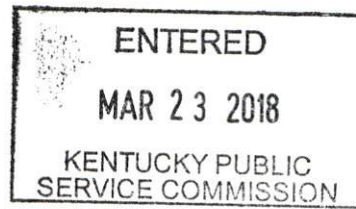
1. AT&T Kentucky shall send customer notification via U.S. mail to each of its customers in the Designated Relinquishment Areas no later than June 14, 2018, advising them that AT&T Kentucky plans to discontinue service on August 14, 2018, and that service can be obtained from other providers.
2. AT&T Kentucky's request to withdraw as an ETC in the Designated Relinquishment Areas as of August 14, 2018, is granted.
3. AT&T Kentucky's request to cancel its authority to operate as an ETC in the Designated Relinquishment Areas as of August 14, 2018, is granted.

4. A copy of this Order shall be served upon the Federal Communications Commission and the Universal Service Administration Company.

5. This case is now closed and removed from the Commission's docket.

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By the Commission



ATTEST:

For [Signature]

Executive Director

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