

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN INQUIRY INTO THE STATE        )  
UNIVERSAL SERVICE FUND         )

CASE NO.  
2016-00059

**VERIZON'S RESPONSES TO STAFF'S SECOND REQUEST  
FOR INFORMATION TO ALL PARTIES OF RECORD**

MCImetro Access Transmission Services LLC d/b/a Verizon Access Transmission Services ("Verizon Access"), Cellco Partnership and Cellco Partnership's commercial mobile radio service provider subsidiaries operating in the state of Kentucky d/b/a Verizon Wireless (collectively, "Verizon") submit this response to Staff's Second Request for Information to All Parties of Record.

**RESPONSE TO DATA REQUESTS**

**REQUEST NO. 1.** If not already provided in a previous response to a Commission Staff request for information, respond to the following:

- a. Provide the monthly Kentucky Universal Service Fund ("KUSF") forms ("KUSF form") submitted to the Commission and the Department of Finance and Administration from January 2014 to the present.
- b. Explain how the total number of subscriber lines is calculated for the KUSF form when a new customer receives service in the middle of a month.
- c. Explain how the total number of subscriber lines is calculated for the KUSF form when a customer leaves in the middle of a month.
- d. Explain how the KUSF surcharge remittance is calculated when you experience a bad debt. Explain whether none of the surcharge amount or the full surcharge amount billed to, but not paid by, the customer is remitted.
- e. State whether the KUSF surcharge billed to a customer is prorated if the customer has service for less than a full month.

**RESPONSE:**

- a. Copies of the KUSF reimbursement forms from January 2014 to March 2016 were submitted with Verizon's April 27, 2016 response to Staff's First Request for Information to All Parties of Record.
- b. The process used by Verizon Wireless was provided with Verizon's April 27, 2016 response to Staff's First Request for Information to All Parties of Record. At that time, Verizon was still verifying the accuracy of the information for this request with respect to Verizon Access, due to a significant work stoppage. Verizon now confirms that this process is the same for Verizon Access.
- c. The process used by Verizon Wireless was provided with Verizon's April 27, 2016 response to Staff's First Request for Information to All Parties of Record. At that time, Verizon was still verifying the accuracy of the information for this request with respect to Verizon Access, due to a significant work stoppage. Verizon now confirms that this process is the same for Verizon Access.
- d. The process used by Verizon was provided in its April 27, 2016 response to Staff's First Request for Information to All Parties of Record.
- e. When a Verizon Access or Verizon Wireless postpaid customer has service for less than a full month, the KUSF surcharge billed to a customer is not prorated.

**RESPONSIBLE WITNESSES:** Radhika Poduri, Senior Manager, Tax, Verizon Communications; and, Robert Mutzenback, Director of Regulatory Compliance, Verizon Communications.

**REQUEST NO. 2.** If no KUSF forms have been submitted to the Commission and the Kentucky Department of Finance and Administration from January 2014, to the present, explain why the KUSF forms have not been submitted.

- a. If no KUSF forms have been submitted, state whether you collect the KUSF surcharge from your customers.
- b. If you do not collect the KUSF surcharge from your customers, explain why the KUSF surcharge has not been collected.
- c. If no KUSF forms have been submitted, state whether you remit the KUSF surcharge to the Kentucky Department of Finance and Administration.
- d. If you do not remit the KUSF surcharge to the Kentucky Department of Finance and Administration, explain why the KUSF surcharge has not been remitted.

**RESPONSE:**

Not applicable. Copies of the KUSF reimbursement forms from January 2014 to March 2016 were submitted with Verizon's April 27, 2016 response to Staff's First Request for Information to All Parties of Record.

**RESPONSIBLE WITNESSES:** Radhika Poduri, Senior Manager, Tax, Verizon Communications; and, Robert Mutzenback, Director of Regulatory Compliance, Verizon Communications.

**REQUEST NO. 3.** Explain the anticipated impact, if any, that the FCC's recent *Lifeline Reform Order*<sup>1</sup> will have on the provision of Lifeline service in Kentucky, including, but not limited to, verifying eligibility of Lifeline customers; the potential provision of broadband service; and, the impact of the reduction of Federal Universal Service funding for voice service.

**RESPONSE:**

Although Verizon cannot predict the Order's impact, Verizon understands that its intent is to reduce duplicate subscriptions and to encourage providers to deliver supported broadband services to Lifeline eligible recipients and transition the program from primarily supporting voice services to targeting support at modern broadband services.

**RESPONSIBLE WITNESSES:** Kathy Buckley, VP, State Government Affairs, Verizon Communications.

**REQUEST NO. 4.** In light of the *Lifeline Reform Order*, explain how a reduction in the amount of, or elimination of, KUSF support would impact the provision of Lifeline service in Kentucky.

**RESPONSE:**

Even if the KUSF support was reduced or eliminated, the provision of Lifeline service in Kentucky would continue to receive substantial support. In 2014, Kentucky received approximately \$29 million in Federal Low-Income (Lifeline) Support.<sup>2</sup> In addition, the telecommunications marketplace in Kentucky has changed radically since the KUSF was first established nearly 20 years ago. The stunning growth of intermodal networks and services, like wireless and Voice over Internet Protocol service, has done a great deal to meet the goal of universal service. The popularity of these alternatives to legacy voice services shows that they are helping to assure that consumers have access to basic voice telephone service at reasonable and affordable rates, even absent Lifeline subsidies.

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<sup>1</sup> See *Lifeline and Link Up Reform and Modernization*, WC Docket No. 11-42; *Telecommunications Carriers Eligible for Universal Service Support*, WC Docket No. 09-197; *Connect America Fund*, WC Docket No. 10-90, *Third Report and Order*, *Further Report and Order*, and *Order on Reconsideration* (Rel. April 27, 2016). ("Lifeline Reform Order").

<sup>2</sup> Table 1.9, *Universal Service Support Mechanisms by State: 2014*, Federal Communications Commission's *Universal Service Monitoring Report*, 2015, [https://apps.fcc.gov/edocs\\_public/attachgratch/DOC-33701941.pdf](https://apps.fcc.gov/edocs_public/attachgratch/DOC-33701941.pdf).

**RESPONSIBLE WITNESSES:** Kathy Buckley, VP, State Government Affairs, Verizon Communications.

Dated this 13<sup>th</sup> day of July, 2016.

Respectfully submitted,

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BY: s/ Luke Morgan  
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**CERTIFICATE OF SERVICE**

I hereby certify that the foregoing is a true and accurate copy of the same document being filed in paper medium with the Commission (which includes a cover letter serving as the required Read First document) within two business days, that the electronic filing was transmitted to the Commission on July 13, 2016, and that there are currently no parties that the Commission has excused from participating by electronic means in this proceeding.

/s/ Luke Morgan