

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

In the Matter of:

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

**RESPONSE OF EAST KENTUCKY NETWORK, LLC D/B/A APPALACHIAN
WIRELESS TO THE COMMISSION’S FEBRUARY 1, 2016 ORDER**

East Kentucky Network, LLC d/b/a Appalachian Wireless (“Appalachian Wireless”), by counsel, pursuant to the Commission’s Order entered February 1, 2016 (the “2/1/16 Order”), hereby responds to the issue of temporarily raising the Kentucky Universal Service Fund (the “KUSF”) per line monthly surcharge from \$.08 to \$.14 or, alternatively, decreasing the KUSF support from \$3.50 per line to \$2.00 per line during the pendency of this proceeding:

Appalachian Wireless was designated as an Eligible Telecommunications Carrier (“ETC”) by Order of the Commission entered on August 11, 2005, in Case No. 2005-00045, and by further Order entered on July 21, 2009 in Case No. 2009-00199. As such, Appalachian Wireless is eligible to receive and does receive KUSF support and federal USF support.

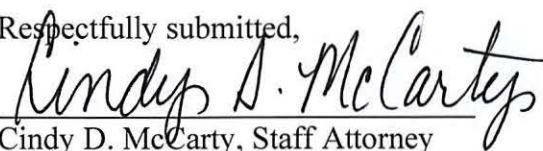
In the 2/1/16 Order, the Commission initiated an administrative proceeding to investigate the current and future funding, distribution, and administration of the KUSF as a result of the projected depletion of the KUSF in the near future. The Commission required that all parties submit comments on the issue of whether the current monthly surcharge should be increased from \$.08 to \$.14 or, alternatively, whether the the current KUSF support should be decreased from \$3.50 per line to \$2.00 per line during the pendency of this proceeding in order to maintain the solvency of the fund.

Appalachian Wireless takes the position that the decrease in KUSF support from \$3.50 per line to \$2.00 per line is the preferable option. This preference is based primarily on two factors: (1) the number of lines for which Appalachian Wireless receives KUSF support; and (2) the fact that Appalachian Wireless passes the cost of the surcharge onto its costumers. In the event that the Commission decides to maintain KUSF support at the current level and increase the surcharge, the aggregate effect of the proposed surcharge increase to Appalachian Wireless's customers will far exceed the value of the incremental \$1.50 per line support available to Appalachian Wireless. In addition, since this is simply an interim measure, Appalachian Wireless prefers to maintain consistency in customer billing until a more permanent solution is decided upon. Accordingly, Appalachian Wireless is compelled to conclude that, as an interim measure, the temporary decrease in KUSF support best serves the interests of Appalachian Wireless and its customers.

WHEREFORE, based on the foregoing, Appalachian Wireless respectfully requests that the monthly surcharge remain at \$.08 and that the level of KUSF support be decreased from \$3.50 per line to \$2.00 per line during the pendency of this action.

Dated this 22nd day of February, 2016.

Respectfully submitted,



Cindy D. McCarty, Staff Attorney
East Kentucky Network, LLC
d/b/a Appalachian Wireless

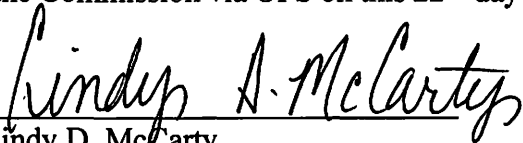
101 Technology Trail
Ivel, Kentucky 41642
(606) 477-2355 ext. 1006
(606) 339-1363 (fax)

cmccarty@ekn.com

***Counsel for East Kentucky Network, LLC
d/b/a Appalachian Wireless***

CERTIFICATE OF SERVICE

This is to certify that the foregoing electronic filing, *Response of East Kentucky Network, LLC d/b/a Appalachian Wireless to the Commission's February 1, 2016 Order*, is a true and accurate copy of the document being filed in paper medium; that the electronic filing was transmitted to the Commission on February 22, 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 mailed to the Commission via UPS on this 22nd day of February, 2016.


Cindy D. McCarty