

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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

AT&T KENTUCKY’S PETITION FOR REHEARING

Pursuant to KRS §278.400, AT&T Kentucky¹ respectfully requests that the Commission rehear and reconsider the decisions set forth in its March 10, 2017 Order in this case. As explained below, and in support of this Petition, AT&T Kentucky generally agrees with and adopts the reasoning set forth in the Comments filed in the case by CTIA.

AT&T Kentucky understands the difficult financial circumstances of the Kentucky State USF and appreciates the Commission’s goals of keeping the surcharge low and otherwise protecting Kentucky consumers. While AT&T Kentucky has no strong preference for any particular approach to achieving these goals,² AT&T cannot support, and in fact opposes, the Commission’s Order attempting to achieve that goal. The Order is a stark departure both from current practices and from the proposals submitted by the parties to this case. Further, the Order clearly and impermissibly favors one technology (landline) over other technologies that consumers clearly and overwhelmingly prefer, as evidenced by their choices in the marketplace. Finally, as noted by CTIA, the reasons stated in support of the Order³ were not addressed by the

¹ BellSouth Telecommunications, LLC d/b/a AT&T Kentucky.

² There have been substantial changes to the federal USF program, and Lifeline customers in Kentucky overwhelmingly prefer wireless service to landline service – while overall Lifeline subscribership in Kentucky continues to rise, AT&T Kentucky’s Lifeline subscribership has declined by more than 90% since 2008, to the point that AT&T Kentucky has less than 1,700 retail Lifeline subscribers in the entire state). In light of these changes, AT&T Kentucky is evaluating its approach to the Lifeline program in general.

³ These reasons include, without limitation, the unsupported suggestion that wireline is better than wireless, that consumers prefer wireline over wireless, that the Commission’s chief objective should be to protect elderly

parties to this case (because nothing in the record suggested that the Commission should consider or was considering anything like the approach adopted in the Order), and they are not supported by evidence in the record.

AT&T Kentucky, therefore, respectfully requests that the Commission implement its Order on a temporary, interim basis while it reopens this case to allow all interested parties to comment on the approach adopted in the Order and propose alternative methods of achieving the Commission's goals.⁴

Respectfully submitted,

/s/ Cheryl Winn
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FILING NOTICE AND CERTIFICATE

The undersigned hereby certifies that the foregoing is a true and accurate copy of the same document being filed in paper medium with the Commission within two business days; that the electronic filing was transmitted to the Commission on April 3, 2017; and that there are currently no parties that the Commission has excused from participation by electronic means in this proceeding.

/s/ Cheryl R. Winn

landline customers at the expense of others, and that making KUSF support available to wireline and not wireless will have no competitive impact on the Kentucky market.

⁴ This case may lend itself to a workshop during which interested parties and Staff could discuss the respective concerns and how to most effectively and efficiently bring this matter to a conclusion.