

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

**In the Matter of:**

**AN INQUIRY INTO THE STATE     )  
UNIVERSAL SERVICE FUND        )**

**CASE NO.  
2016-00059**

**TEMPO TELECOM,LLC RESPONSE TO COMMISSION STAFF'S SECOND  
REQUEST FOR INFORMATION AND MOTION FOR EXTENSION OF TIME**

Tempo Telecom, LLC hereby serves its Responses to the Kentucky Public Service Commission Request for Information dated June 22, 2016. Tempo also respectfully requests a seven day extension of time for filing these responses, which were to have been electronically filed by July 13, 2016.

**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<sup>1</sup> ("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. Commission Staff's First Request for Information referred to these forms as "reimbursement" forms. In this request, Commission Staff is referring to the forms that the parties are to file monthly pursuant to the Commission's decision in *An Inquiry into Universal Service Funding Issues*, Administrative Case No. 360 (KY. PSC May, 22, 1998) (form last revised March 10, 2016). These forms are to be filed regardless of whether a party is seeking reimbursement from the KUSF.
- 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:** No forms have been submitted. Tempo is not collecting the KUSF surcharge. The Commission Order establishing funding for the KUSF provides: "For services rendered on and after January 1, 1999, all ILECs, CLECs, and wireless providers shall place on all customers' bills a charge of five cents per month per bill." *An Inquiry into Universal Service and Funding Issues*, Order, Administrative Case No. 360 (November 16, 1998), at 4. Tempo's end users in Kentucky are Lifeline eligible, receive monthly minutes of use at no charge, and do not receive a bill. There is no mechanism in place for Tempo to collect a surcharge from these low income users. The company is unaware of any Commission directive that low income customers eligible for the Lifeline Program must also contribute financially to the program. Moreover, remitting to the KUSF support received from the Federal Universal Service Program would simply transfer support from one program to another. If there is a generally applicable legal requirement that MVNOs requesting KUSF support also collect the KUSF surcharge, Tempo would comply with that requirement when it participates in the KUSF by requesting support from the state-administered fund.

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<sup>1</sup> Commission Staff's First Request for Information referred to these forms as "reimbursement" forms. In this request, Commission Staff is referring to the forms that the parties are to file monthly pursuant to the Commission's decision in *An Inquiry into Universal Service Funding Issues*, Administrative Case No. 360 (Ky. PSC May, 22, 1998)(form last revised March 10, 2016). These forms are to be filed regardless of whether a party is seeking reimbursement from the KUSF.

**RESPONSIBLE WITNESS:** Mark Harris, Director of Business Data Analytics

**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:** See Response to Request No. 1.

**RESPONSIBLE WITNESS:** Mark Harris, Director, Business Data Analytics

**REQUEST NO. 3.** Explain the anticipated impact, if any, that the FCC's recent *Lifeline Reform Order*<sup>2</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:** Tempo understands that the intent of a national verifier is that it should be easier to verify eligibility of Lifeline subscribers. However, there are numerous potential complications as with the NLAD implementation and as such Birch feels that this could cause much frustration for subscribers.

Additionally, any reduction in funding will result in a reduction in support amounts to low income consumers, possibly affecting telephone service penetration levels.

Overall, Tempo anticipates that the new requirements will effectively eliminate free Lifeline offerings and resulting in a reduction in number of Lifeline consumers.

**RESPONSIBLE WITNESS:** Sharyl Fowler, Lifeline Compliance Manager

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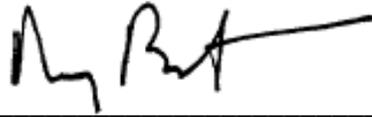
<sup>2</sup> See *Lifeline and Link Up Reform and Modernization*, WC Docket No. 11-42; *Telecommunications Carriers Eligible for Universal Service Support*, WC Docket No. 09-197; *Connect America Fund*, WC Docket No. 10-90, *Third Report and Order*, *Further Report and Order*, and *Order on Reconsideration* (Rel. April 27, 2016). (“Lifeline Reform Order”).

**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:** Any reduction in funding will result in a reduction in the support provided to the low income user. Moreover, as federal support for voice-only Lifeline service is reduced to zero, elimination of state support could eliminate any subsidy for mobile voice services used by Lifeline-eligible consumers.

**RESPONSIBLE WITNESS:** Sharyl Fowler, Lifeline Compliance Manager

Respectfully Submitted,



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*Counsel for Tempo Telecom*

**CERTIFICATE OF SERVICE**

In accordance with 807 KAR 5:001, Section 8, I certify that the July 20, 2016 electronic filing of these Data Responses is a true and accurate copy of the same document being filed in paper medium; that the electronic filing was transmitted to the Commission on July 20, 2016; that there are currently no parties that the Commission has excused from participation by electronic means in this proceeding; and that an original paper medium of these Data Responses will be mailed to the Commission by first class United States mail, postage prepaid, on July 20, 2016.

A handwritten signature in black ink, appearing to read 'Douglas F. Brent', with a long horizontal stroke extending to the right.

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Douglas F. Brent