

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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

**BIRCH COMMUNICATIONS OF KENTUCKY, LLC'S RESPONSES
TO COMMISSION STAFF'S FIRST REQUESTS FOR INFORMATION**

Birch Communications of Kentucky, LLC ("Birch"), hereby serves its Responses to the
Kentucky Public Service Commission Staff's Request for Information dated April 6, 2016.

DATA RESPONSES

**REQUESTS FOR INFORMATION TO PARTIES THAT RECEIVED PAYMENT FROM
THE KENTUCKY UNIVERSAL SERVICE FUND ("KUSF")**

REQUEST NO. 1. Provide the KUSF reimbursement forms submitted to the Commission and the Department of Finance and Administration from January 2014 to the present.

RESPONSE: Please see *Exhibit A* which includes the KUSF reimbursement forms dated.

RESPONSE PROVIDED BY: Steven Spohrer, Birch Communications Tax Department Consultant, Matthew Tolan, Sr. Transaction Tax Accountant, and Erica Powell, Sr. Manager – Transaction Tax

REQUEST NO. 2. Provide the Federal Communication Commission ("FCC") Form 497 submitted to the FCC from January 2014 to the present.

RESPONSE: Please see *Exhibit B* which includes the FCC Forms 497 dated January 2014 through April 2016 for Birch Communications of Kentucky, LLC

RESPONSE PROVIDED BY: Sharyl D. Fowler, Lifeline Compliance Manager

REQUEST NO. 3. Refer to the Lifeline plans you filed with the Commission with your Application for Designation as an Eligible Telecommunications Carrier ("ETC"). State whether there have been changes to these Lifeline plans since the Commission entered an Order designating you as an ETC for the purpose of offering Lifeline service in Kentucky. If there have been changes to the Lifeline plans, provide:

- a. Copies of all Lifeline plans currently offered to Kentucky subscribers.
- b. For each new or modified Lifeline plan, explain in detail:
 - i. How the current Lifeline plan modifies the Lifeline plan in effect when you were designated as an ETC;
 - ii. Whether the current Lifeline plan was offered in addition to Lifeline plans in effect when you were designated as an ETC.
- c. An explanation for why existing Lifeline plans were changed or additional Lifeline plans were added.

RESPONSE: There have been no changes to the Lifeline plans since the issuance of Birch's ETC designation order on August 12, 2013.

RESPONSE PROVIDED BY: Steven McGinty, Product Manager

REQUEST NO. 4. If the Commission's decision is to maintain state Lifeline support for only voice service, describe how that decision would affect whether and how you provide Lifeline service in Kentucky.

RESPONSE: This decision would not affect Birch as the pending requirement for broadband affects mobile Lifeline providers and Birch does not provide mobile Lifeline service.

RESPONSE PROVIDED BY: Sharyl D. Fowler, Lifeline Compliance Manager

REQUEST NO. 5. Identify any cost-effective procedures that you believe should be implemented by the Commission to increase oversight of the Lifeline program.

RESPONSE: It is our position that the measures currently exercised by USAC are sufficient to oversee the Lifeline program.

RESPONSE PROVIDED BY: Sharyl D. Fowler, Lifeline Compliance Manager

REQUEST NO. 6. If the Commission's decision is to change the amount of Lifeline support, state how soon upon the issuance of an Order by the Commission changing the Lifeline support amount that you are or anticipate being able to implement the changes on customer bills.

RESPONSE: This type of billing change would require a tariff filing change. Additionally, it is our internal policy to provide a 30 day advance notice to every customer that experiences a change in rates because most states require the notice. Based on that, we anticipate a 45 – 60 day time frame to implement the changes on customer bills.

RESPONSE PROVIDED BY: Sharyl D. Fowler, Lifeline Compliance Manager

REQUEST NO. 7. Provide, in detail, the methods employed to verify the eligibility of customers who participate in the Lifeline program.

RESPONSE: Please see *Exhibit C* “Birch Communications of Kentucky, LLC Lifeline Subscriber Eligibility Guidelines.”

RESPONSE PROVIDED BY: Sharyl D. Fowler, Lifeline Compliance Manager

REQUEST NO. 8. State whether you have been subjected to FCC investigation, action, and/or penalties relating to participation in the Lifeline program. If you have been so subjected, provide in detail, including citations to the FCC action, the investigation, action, and/or penalties to which you were subjected.

RESPONSE: No, Birch of Kentucky, LLC has not been the subject of an FCC investigation, action or penalty relating to participation in the Lifeline program.

RESPONSE PROVIDED BY: Sharyl D. Fowler, Lifeline Compliance Manager

REQUEST NO. 9. Describe, in detail, your current marketing programs for Lifeline service in Kentucky, including, but not limited to, person-to-person sales.

RESPONSE: We continue to serve the existing customers that were transferred to us in the acquisition from SE Acquisitions d/b/a Lightyear.

RESPONSE PROVIDED BY: Sharyl D. Fowler, Lifeline Compliance Manager

REQUESTS FOR INFORMATION TO ALL PARTIES

REQUEST NO. 1. Provide the KUSF reimbursement forms submitted to the Commission and the Department of Finance and Administration from January 2014 to the present.

RESPONSE: Please see *Exhibit A* which includes the KUSF reimbursement forms dated January 2014 through December 2015.

RESPONSE PROVIDED BY: Steven Spohrer, Tax Department Consultant, and Erica Powell, Sr. Manager – Transaction Tax

REQUEST NO. 2. Explain how the total number of subscriber lines is calculated for the KUSF reimbursement form when a new customer receives service in the middle of a month.

RESPONSE: A snapshot of the customer base is taken on the 1st of the month to identify the number of lines active for the previous month. This count would include any line active as of that date regardless of the date it became active. If the line was active at any point during the month, and is still active on the 1st of the next month, it is counted for reimbursement.

RESPONSE PROVIDED BY: Sharyl D. Fowler, Lifeline Compliance Manager

REQUEST NO. 3. Explain how the total number of subscriber lines is calculated for the KUSF reimbursement form when a customer leaves in the middle of a month.

RESPONSE: A snapshot of the customer base is taken on the 1st of the month to identify the number of lines active for the previous month. This count would include any line active as of that date regardless of the date it cancelled. If the line cancelled at any point during the month, and was therefore not active on the 1st of the next month, it would not be counted for reimbursement.

RESPONSE PROVIDED BY: Sharyl D. Fowler, Lifeline Compliance Manager

REQUEST NO. 4. 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.

RESPONSE: Currently, in a bad debt scenario, Birch remits the full amount of the surcharge billed to, but not paid by the customer. However this process may change in the future as our bad debt policy is reviewed.

RESPONSE PROVIDED BY: Matthew Tolan, Sr. Transaction Tax Accountant

REQUEST NO. 5. State whether you believe the Commission should wait until the FCC's investigation of Lifeline Reform is concluded before rendering a decision in this proceeding and explain the basis for your response.

RESPONSE: Birch has no comment on this matter.

RESPONSE PROVIDED BY: Sharyl D. Fowler, Lifeline Compliance Manager

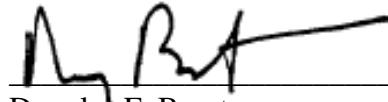
REQUEST NO. 6. State how soon upon the issuance of an Order by the Commission changing the KUSF surcharge that you are or anticipate being able to implement the changes on customer bills. If it differs by type of account, provide the information for each type of account, along with the number of access lines for each account type.

RESPONSE: It is our internal policy to provide a 30 day advance notice to every customer that experiences a change in rates because most states require the notice. Based on that, we anticipate a 45 – 60 day time frame to implement the changes on customer bills.

RESPONSE PROVIDED BY: Sharyl D. Fowler, Lifeline Compliance Manager

CERTIFICATE OF SERVICE

In accordance with 807 KAR 5:001, Section 8, I certify that the May 6, 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 May 6, 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 May 6, 2016.



Douglas F. Brent