

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

In the matter of:

CASE NO: 2016-00059

AN INQUIRY INTO THE STATE
UNIVERSAL SERVICE FUND

**JOINT RESPONSES OF
Q LINK WIRELESS, LLC, GLOBAL CONNECTION INC. OF AMERICA DBA
STANDUP WIRELESS, AMERIMEX COMMUNICATIONS CORP. DBA SAFETYNET
WIRELESS, I-WIRELESS, LLC DBA ACCESS WIRELESS, AIRVOICE WIRELESS,
LLC DBA FEEL SAFE WIRELESS AND SAGE TELECOM COMMUNICATIONS, LLC
DBA TRUCONNECT (TOGETHER THE “KENTUCKY ETCs”) TO COMMISSION
STAFF’S INFORMATON REQUESTS IN THE ORDER DATED MAY 11, 2020**

Respectfully submitted,

/s/Matt Malone

Matthew R. Malone
William H. May, III.
Hurt, Deckard & May PLLC
127 West Main Street
Lexington, Kentucky 40507
(859) 254-0000 (office)
(859) 254-4763 (facsimile)
mmalone@hdmfirm.com
bmay@hdmfirm.com

*Counsel for the Joint Petitioners,
Q LINK Wireless LLC, Global Connection Inc. of
America dba StandUp Wireless, AmeriMex
Communications Corp. dba SafetyNet Wireless, i-
wireless, LLC dba Access Wireless, AirVoice
Wireless, LLC dba Feel Safe Wireless and Sage
Telecom Communications, LLC dba TruConnect*

CERTIFICATE OF SERVICE

Pursuant to 807 KAR 5:001 Section 6, the undersigned certifies that consistent with 807 KAR 5:001 Section 4(8)(d)(3), a copy of this document has been electronically served upon the parties and counsel of record on May 26, 2020 by service through the electronic filing portal:

/s/Matt Malone
ATTORNEY FOR KENTUCKY ETCs

Item 1

Joint Response of Kentucky ETCs
Case No. 2016-00059
Commission Staff's Information Request

1. **State whether the ETC has experienced an increase over the past 45 days in usage of voice minutes and data for Lifeline customers in Kentucky. If so, provide the increase over the monthly usage average.**

Response:

The Kentucky ETCs have experienced an increase over the past 45 days in usage of voice minutes and data for Lifeline customers in Kentucky. The increase over the monthly usage average was as follows:

Voice – Approximately thirty-five percent (35%)

Data – Approximately thirty-seven percent (37%)

When examining usage, it is important to note that many Kentucky Lifeline participants are likely taking advantage of the large carriers that have opened their Wi-Fi networks to the public pursuant to the Keep Americans Connected Pledge¹. The use of these open Wi-Fi networks may explain why voice and data usage is not even higher.

The Commission should view usage more broadly than just the last 45 days. According to the latest updates to the FCC's Communications Marketplace Report, average data usage for smartphone users increased from 5.1 GB in 2017 to 6.6 GB in 2018.² If we are to assume the increase from 2017-2018 would continue on an upward trend then the 2019 data usage would be more than 8 GB. The Kentucky ETCs urge the Commission to provide additional funds so that carriers can continue to offer additional data to subscribers during the COVID-19 emergency and beyond.

¹ <https://www.fcc.gov/keep-americans-connected>

² See <https://www.fcc.gov/communications-marketplace-report-updates>.

Item 2

Joint Response of Kentucky ETCs
Case No. 2016-00059
Commission Staff's Information Request

2. **For January and February 2020, provide the percentage of Lifeline customers that exceeded the monthly 1,000 voice minutes or 3 GB of data. Provide the same information for March and April 2020.**

Response:

The average percentage of Lifeline customers that exceeded the monthly 1,000 voice minutes or 3 GB of data for January and February 2020 is as follows:

Voice: approximately six percent (6%)

Data: approximately forty-six percent (46%)

The average percentage of Lifeline customers that exceeded the monthly 1,000 voice minutes or 3 GB of data for March and April of 2020 is as follows:

Voice: approximately fifteen percent (15%)

Data: approximately forty-eight percent (48%)

One reason that usage may not be as high as expected during the COVID-19 emergency is that Lifeline subscribers are used to having a limit of minutes or data and they use their devices conservatively. Lifeline customers cannot typically afford to go over their allotments and customers tend to budget their usage so the plan will last throughout the month.

Witness: Issa Asad, Eric Schimpf,
Stephen Klein, John Willis,
Jim Bahri, & Nathan Johnson

Item 3

Joint Response of Kentucky ETCs
Case No. 2016-00059
Commission Staff's Information Request

3. **State whether the ETC is providing additional minutes and data in response to the current state of emergency. If the ETC is providing the additional services, state when the ETC is planning to cease providing the additional services.**

Response:

In response to the COVID-19 crisis several of the Kentucky ETCs are providing unlimited voice and additional data (between 2-5 GB additional data) free to its Lifeline subscribers. Unless extended by their network operator partners, these additional services are set to expire between May 31, 2020-June 30, 2020.

Below is a list of some of the additional services being offered temporarily by several of the Kentucky ETCs in response to the current state of emergency:

- Free hot spot and Wi-Fi enabled smartphones.
- Free first-class 4G LTE service.
- Offering no or low-cost upgrade devices.

Witness: Issa Asad, Eric Schimpf,
Stephen Klein, John Willis,
Jim Bahri, & Nathan Johnson

Item 4

Joint Response of Kentucky ETCs
Case No. 2016-00059
Commission Staff's Information Request

4. **State whether the ETC would be willing to provide unlimited voice in Kentucky if additional reimbursement from the KUSF was made available to the ETC for providing unlimited voice.**

Response:

Yes, the Kentucky ETCs are willing to provide unlimited voice in Kentucky if additional reimbursement from the KUSF is made available to the Kentucky ETCs for providing unlimited voice.

When the Commission thinks about what additional funding it is willing to provide, it is important to note the additional fees that Kentucky has imposed on carriers. A fee of \$0.70 for 911 calling was imposed on Lifeline services in April 2020. Further, Kentucky charges \$0.07 for Universal Service Fund and \$0.03 for Telecommunications Relay Service totaling and additional \$0.80. These fees have had a negative impact on Lifeline enrollment in Kentucky.

Joint Response of Kentucky ETCs
Case No. 2016-00059
Commission Staff's Information Request

5. **State whether the ETC would be willing to provide additional data in Kentucky if additional reimbursement from the KUSF was made available to the ETC for providing additional data. If so, state the amount of additional data the ETC could provide and the cost to provide the data.**

Response:

Yes, the Kentucky ETCs are willing to provide additional data in Kentucky if additional reimbursement from the KUSF is made available to the Kentucky ETCs for providing additional data.

The cost for additional data offerings is approximately \$10.00-\$12.50 per 1 GB of data. When the Commission thinks about what additional funding it is willing to provide, it is important to note the additional fees that Kentucky has imposed on carriers. A fee of \$0.70 for 911 calling was imposed on Lifeline services in April 2020. Further, Kentucky charges \$0.07 for Universal Service Fund and \$0.03 for Telecommunications Relay Service totaling and additional \$0.80. These fees have had a negative impact on Lifeline enrollment in Kentucky.

The Commission should note that the amount of additional data the Kentucky ETCs could provide would depend on the amount of additional KUSF funding as well as the amount of additional minutes ETCs are asked to provide. For example, California provides a state subsidy of \$14.85 in addition to the federal \$9.25, and the average wireless Lifeline rate plan in California provides Unlimited Talk, Unlimited Text, and 3 GB data. Therefore, in determining an increased KUSF amount the Commission should consider how much of an increase in voice and data is needed, and also allow flexibility of carriers to provide various plan offerings which may increase primarily voice versus primarily data, or a mixture of the two, so that customers have flexibility to choose a plan which best meets their communication needs.

Witness: Issa Asad, Eric Schimpf,
Stephen Klein, John Willis,
Jim Bahri, & Nathan Johnson

Item 6

Joint Response of Kentucky ETCs
Case No. 2016-00059
Commission Staff's Information Request

6. **If the ETC provided unlimited voice or increased data, state how soon the ETC could implement the increase in services.**

Response:

The Kentucky ETCs would be able to implement the increase in services within 10 days or less.

Witness: Issa Asad, Eric Schimpf,
Stephen Klein, John Willis,
Jim Bahri, & Nathan Johnson

Item 7

Joint Response of Kentucky ETCs
Case No. 2016-00059
Commission Staff's Information Request

7. **State whether there is a minimum time the additional temporary KUSF support and Lifeline services should continue to provide a tangible public health benefit.**

Response:

The temporary support should continue at a minimum through December 31, 2020. Even after the state of emergency is lifted, many Kentucky residents will be left unemployed and have uncertain futures. It is imperative these individuals have access to the voice and data services they need to put them in the best position to conduct a job search, phone interviews, and seek medical treatment. Ideally, the Commission should consider making the increases permanent.

Joint Response of Kentucky ETCs
Case No. 2016-00059
Commission Staff's Information Request

8. **Provide any information regarding this inquiry that will assist the Commission in its inquiry including its experience from other jurisdictions.**

Response:

The Kentucky ETCs commend the Commission for considering to temporarily offer additional compensation in exchange for a temporary increase in service. The Kentucky ETCs agree that it would be extremely beneficial to Kentuckians during this worldwide pandemic to have access to unlimited voice and text, and additional data, above and beyond the federal minimum of 3GB. More data is needed so that Kentuckians can search for employment, participate in phone interviews, and so students can successfully complete school assignments.

The Kentucky ETCs urge the Commission to provide at least an additional \$11.35 to subsidize unlimited voice and additional data (for comparison, the California state subsidy is \$14.85 per subscriber, plus a \$39 connection fee which allows ETCs to offer better devices for free in California) plus an additional \$0.80 to offset the fees described in response to nos. 4-5 above.

Without additional assistance from KUSF, carriers will not be financially able to continue to offer additional voice and data for free. According to the Universal Service Administrative Company ("USAC"), in January 2017 there were more than 220,000 Kentucky households participating in the Lifeline Program. As of January 2020, that number fell by 65% to 106,000 households participating in the Lifeline Program. The increase in Federal Communication Commission ("FCC") minimum service standards without additional funding coupled with a decrease in voice support are the primary drivers for this decline. These Kentucky households no longer have access to the communication services they so desperately need during this COVID-19 crisis. The Kentucky ETCs urge the Commission to increase the budget so that carriers can offer additional minutes and data to subscribers during the COVID-19 emergency.