COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN INQUIRY INTO THE STATE UNIVERSAL SERVICE FUND

ORDER

On February 1, 2016, the Commission, on its own motion, initiated this administrative proceeding to investigate the current and future funding, distribution, and administration of the Kentucky Universal Service Fund ("KUSF"). The Commission stated that it would address issues to include: future funding levels of KUSF; the need for continuing the KUSF; the possibility of reducing the amount of KUSF support; past and projected distributions from the KUSF; and determining the future practices for requesting and receiving support from the KUSF.

The Commission named as parties, inter alia, all Local Exchange Carriers, all commercial mobile radio service providers, and all eligible telecommunications carriers ("ETC") (collectively "Carriers"). The Commission conducted two rounds of discovery and requested parties to file testimony. While discovery has been completed, several Carriers have not responded to the discovery requests, thus delaying the Commission's efforts to complete the record in this matter.

Recent actions by the Federal Communication Commission ("FCC") require the Commission to issue an interim Order in this proceeding. The FCC, at the time the Commission initiated this investigation, was conducting its own review of the Federal Lifeline Program. On April 27, 2016, the FCC released its Order reforming the Federal
Lifeline Program. Among the changes the FCC instituted in the Federal Lifeline Program are changes to the eligibility criteria for Lifeline customers as well as the establishment of minimum service standards for mobile voice service. Specifically, the FCC removed Low-Income Home Energy Assistance Program ("LIHEAP"), the National School Lunch Program ("NSLP"), and the Temporary Assistance to Needy Families ("TANF") from the eligibility criteria to receive Lifeline benefits and added participation in Veterans Pension benefit or Survivors Pension benefit to Lifeline's eligibility criteria. The FCC also established a minimum level of 500 minutes per month of service for mobile voice service. These changes become effective on December 1, 2016.

Each State is required to adhere to the same rules and eligibility criteria that the FCC establishes at a minimum. The Commission has mirrored the federal eligibility qualifications in the past. There is no reason to deviate from such requirements at this moment. The federal rules for Lifeline have not contained a minimum usage allowance in the past. Therefore, the Commission finds that ETCs designated in Kentucky should amend their Lifeline tariffs, where necessary, and applicable marketing material to

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1 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 Modernization Order").

2 Id. at ¶¶ 188–196.

3 Id. at ¶ 100.

4 Id. at ¶¶ 63–65, 167.

5 See, Case No, 2012-00146, Lifeline Reform, (Ky. PSC May 1, 2012) at 1.

6 The FCC has preempted state-established criteria for the Federal Lifeline Program. Lifeline Modernization Order at ¶213. This preemption, however, does not prohibit a state from establishing different eligibility requirements for a state Lifeline program.
comply with the FCC’s changes in Federal Lifeline eligibility and the establishment of minimum service standards.

IT IS THEREFORE ORDERED that:

1. Within 20 days of the date of this Order, each wireline ETC shall file with the Commission, using the Commission’s electronic Tariff Filing System, its updated tariffs. The updated tariffs shall be effective December 1, 2016, and include language to:
   a. Eliminate participation in LIHEAP, TANF and NSLP from the Lifeline eligibility criteria;
   b. Add participation in the Veteran Pension Benefits program and Survivor Pension Benefits program to Lifeline eligibility criteria; and
   c. Include any changes necessary to comply with the minimum service standards established in the Lifeline Modernization Order.

2. Each ETC shall notify its customers of any changes to the rates or services of the ETC’s Lifeline offerings.

3. Each ETC shall notify its customers of the changes to the Lifeline eligibility criteria.

4. Within 20 days of the date of this Order, each wireless ETC shall file with the Commission its updated Lifeline offering.
<table>
<thead>
<tr>
<th>Company Name</th>
<th>Address Details</th>
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<tbody>
<tr>
<td>Wireless Telecom Cooperative, Inc.</td>
<td>2317 West Chestnut Street, Louisville, KY 40211</td>
</tr>
<tr>
<td>Wireless Telecom Cooperative, Inc. dba</td>
<td>2317 West Chestnut Street, Louisville, KY 40211</td>
</tr>
<tr>
<td>T.V. Service, Incorporated</td>
<td>2742 Hwy 550 E, Hindman, KY 41822</td>
</tr>
<tr>
<td>Tempo Telecom, LLC</td>
<td>2323 Grand Blvd, Suite 925, Kansas City, MO 64108</td>
</tr>
<tr>
<td>Tempo Telecom, LLC</td>
<td>2323 Grand Blvd, Suite 925, Kansas City, MO 64108</td>
</tr>
<tr>
<td>L Allyson Honaker</td>
<td>2365 Harrodsburg Road, Suite B325, Lexington, KY 40504</td>
</tr>
<tr>
<td>IBFA Acquisition Company, LLC</td>
<td>353 Sacramento Street, Suite 1500, San Francisco, CA 94111</td>
</tr>
<tr>
<td>MCC Telephony of the South, LLC db/a</td>
<td>22076 Main Street, Hyden, KY 41749-0969</td>
</tr>
</tbody>
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*Denotes Served by Email

Service List for Case 2016-00059
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*Denotes Served by Email

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*SelecTel, Inc. d/b/a SelecTel Wireless
SelecTel, Inc. d/b/a SelecTel Wireless
1825 N Bell Street
Freemont, NE 40504

*ComTech 21, LLC
ComTech 21, LLC
One Barnes Park South
Wallingford, CT 06492

*Cellular Services, LLC
Cellular Services, LLC
1621 KY Route 40W
P. O. Box 240
Staffordsville, KY 41256

*Windward Wireless LLC
Windward Wireless LLC
3245 Peachtree Pkwy, Suite D
Suwanee, GA 30024

*Boomerang Wireless, LLC
Boomerang Wireless, LLC
955 Kacena Road, Suite A
Hiawatha, IA 52233

*TracFone Wireless, Inc.
TracFone Wireless, Inc.
9700 NW 112th Avenue
Miami, FL 33178

*Globalstar USA, LLC
Globalstar USA, LLC
300 Holiday Square Blvd
Covington, LA 70433

*e-Tel. LLC dba e-Tel Murray, LLC
607 Broadway
Paducah, KY 42001

*Armstrong Telecommunications, Inc.
Armstrong Telecommunications, Inc.
One Armstrong Place
Butler, PA 16001

*Total Call Mobile, Inc.
Total Call Mobile, Inc.
1411 W 190th Street, Suite 650
Gardena, CA 90248

*Touchtone Communications, Inc.
Touchtone Communications, Inc.
16 South Jefferson Road
Whippany, NJ 07981

*Foothills Rural Telephone Cooperative
Foothills Rural Telephone Cooperative
1621 Kentucky Route 40 W
P. O. Box 240
Staffordsville, KY 41256

*Si Wireless, LLC dba MobileNation dba Twigby
1275 North Reed Station Road
Carbondale, IL 62902

*BetterWorld Telecom, LLC
BetterWorld Telecom, LLC
11951 Freedom Drive, 13th Floor
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*Foothills Rural Telephone Cooperative
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Mountain Rural Telephone Cooperative
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*Windstream KDL, LLC
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4001 N Rodney Parham Road
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*PAETEC Communications, LLC
PAETEC Communications, LLC
4001 N Rodney Parham Road
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*Windstream NTI, LLC
Windstream NTI, LLC
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*Windstream Kentucky East, LLC
Windstream Kentucky East, LLC
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