

January 19, 2016

Senate Utilities Committee
State Capitol
300 SW 10th
Topeka, KS 66612

Dear Senate Utilities Committee:

During the briefing on the Connect America Fund (CAF) on January 14, 2016, members of the Committee requested the Kansas Corporation Commission provide the following:

- 1) a listing of the annual amount of Federal High-Cost Universal Service Funding each carrier receives in Kansas;
- 2) the annual amount Kansans contribute to the Federal Universal Service Fund (FUSF); and
- 3) a larger copy of the map provided on Slide 12 of the CAF presentation.

Attachment A to this letter is a listing of the amount of Federal High-Cost Universal Service Funding each of the carriers received in Kansas, by funding mechanism, for 2014. Calendar year 2014 data is being provided because this is the most current full year of data available. In total, Kansas carriers received approximately \$147 million in Federal High-Cost Universal Service Funding.

Attachment B to this letter is Table 1.9 from the Federal Communications Commission's (FCC) 2015 Universal Service Monitoring Report. The Table illustrates that Kansans contributed approximately \$67.4 million to the FUSF in 2014, which was .85% of the total contributions. Kansas received 2.3% of the total Federal Universal Service funding; therefore, Kansas is a net receiver from the federal Fund. The estimated net benefit Kansas received in 2014 is approximately \$113 million.

A copy of the map from Slide 12 of the CAF presentation is included as Attachment C. The map may also be found at: <https://www.fcc.gov/reports-research/maps/mobile-10-mbps768-kbps-deployment-map-2015-broadband-progress-report>.

Please let me know if you have additional questions. I can be contacted at (785) 271-3132 or at c.aarnes@kcc.ks.gov.

Sincerely,

Christine Aarnes
Chief of Telecommunications
Kansas Corporation Commission

2014 HIGH-COST SUPPORT RECEIVED BY CARRIER

CARRIER NAME	HIGH-COST LOOP (HCL)	INTERSTATE COMMON LINE SUPPORT (ICLS)	SAFETY NET ADDITIVE (SNA)	SAFETY VALVE SUPPORT (SVS)	FROZEN HIGH-COST SUPPORT (FHCS)	CAF INTERCARRIER COMPENSATION (ICC)	TOTAL HIGH-COST SUPPORT
BLUE VALLEY TELE-COM	\$4,349,410	\$2,721,324	\$118,707	\$641,730	\$0	\$498,258	\$8,329,429
COLUMBUS TELEPHONE	\$365,583	\$352,698	\$0	\$0	\$0	\$60,186	\$778,467
COUNCIL GROVE TEL CO	\$2,300,098	\$959,340	\$156,924	\$0	\$0	\$99,822	\$3,516,184
CRAW-KAN TEL COOP	\$3,071,616	\$2,558,472	\$0	\$0	\$0	\$225,486	\$5,855,574
CUNNINGHAM TEL CO	\$2,063,901	\$900,696	\$0	\$0	\$0	\$79,476	\$3,044,073
ELKHART TEL CO INC	\$2,361,523	\$1,258,643	\$205,880	\$0	\$0	\$218,730	\$4,044,776
GOLDEN BELT TEL ASSN	\$4,386,330	\$1,707,840	\$0	\$0	\$0	\$250,788	\$6,344,958
GORHAM TEL CO	\$504,358	\$295,044	\$0	\$0	\$0	\$106,680	\$906,082
HAVILAND TEL CO	\$1,542,335	\$951,000	\$0	\$0	\$0	\$60,306	\$2,553,641
H & B COMMUNICATIONS	\$498,918	\$314,886	\$0	\$0	\$0	\$172,710	\$986,514
HOME TEL CO	\$3,114,590	\$1,729,542	\$194,160	\$0	\$0	\$258,114	\$5,296,406
J. B. N. TEL CO INC	\$453,640	\$428,076	\$0	\$0	\$0	\$49,344	\$931,060
KANOKLA TEL ASSN-KS	\$2,883,615	\$1,933,074	\$185,076	\$0	\$0	\$147,912	\$5,149,677
LA HARPE TEL CO INC	\$644,609	\$247,345	\$0	\$0	\$0	\$102,120	\$994,074
MADISON TEL., LLC	\$896,552	\$585,906	\$34,512	\$0	\$0	\$38,886	\$1,555,856
MOKAN DIAL INC-KS	\$421,849	\$527,934	\$0	\$0	\$0	\$139,272	\$1,089,055
MOUNDRIDGE TEL CO	\$535,881	\$608,136	\$0	\$0	\$0	\$101,796	\$1,245,813
MUTUAL TEL CO	\$859,567	\$394,417	\$10,414	\$0	\$0	\$85,626	\$1,350,024
PEOPLES TELECOM LLC	\$1,449,846	\$872,208	\$26,268	\$0	\$0	\$78,330	\$2,426,652
PIONEER TEL ASSN INC	\$1,440,513	\$2,689,860	\$0	\$0	\$0	\$1,151,796	\$5,282,169
RAINBOW TELECOM	\$2,479,751	\$1,090,122	\$114,816	\$0	\$0	\$204,372	\$3,889,061
RURAL TEL SERVICE CO	\$5,674,032	\$1,390,260	\$0	\$2,550,780	\$0	\$817,554	\$10,432,626
S & A TEL CO INC	\$661,507	\$258,966	\$0	\$0	\$0	\$34,536	\$955,009
S & T TEL COOP ASSN	\$2,415,944	\$1,562,562	\$0	\$0	\$0	\$121,578	\$4,100,084
S. CENTRAL TEL - KS	\$2,220,934	\$998,508	\$42,312	\$0	\$0	\$82,752	\$3,344,506
SOUTHERN KANSAS TEL	\$2,760,007	\$1,342,758	\$100,848	\$0	\$0	\$159,312	\$4,362,925
SOUTHWESTERN BELL-KS	\$0	\$0	\$0	\$0	\$684,516	\$0	\$684,516
SUNFLOWER TEL CO	\$0	\$0	\$0	\$0	\$495,324	\$0	\$495,324
TOTAH COMMUNICATIONS	\$952,337	\$411,240	\$0	\$0	\$0	\$99,630	\$1,463,207
TRI-COUNTY TEL ASSN	\$5,649,506	\$2,921,031	\$180,985	\$0	\$0	\$170,124	\$8,921,646
TWIN VALLEY TEL INC	\$670,418	\$2,500,680	\$0	\$1,789,404	\$0	\$562,494	\$5,522,996
UNITED TEL ASSN	\$2,893,001	\$1,708,338	\$0	\$0	\$0	\$90,624	\$4,691,963
UNITED OF EASTERN KS	\$0	\$0	\$0	\$0	\$3,914,160	\$0	\$3,914,160
UTC OF KANSAS	\$0	\$0	\$0	\$0	\$2,622,624	\$0	\$2,622,624
EMBARQ MO-KS	\$0	\$0	\$0	\$0	\$647,880	\$9,912	\$657,792
WAMEGO TEL CO INC	\$667,534	\$1,359,954	\$0	\$0	\$0	\$360,666	\$2,388,154
WHEAT STATE TEL, INC	\$752,347	\$1,381,968	\$0	\$0	\$0	\$216,330	\$2,350,645
WILSON TEL CO INC	\$2,095,857	\$1,201,872	\$208,404	\$0	\$0	\$60,012	\$3,566,145
ZENDA TEL COMPANY	\$283,241	\$196,912	\$0	\$0	\$0	\$62,256	\$542,409
BIG RIVER TELEPHONE CO.	\$0	\$0	\$0	\$0	\$75,552	\$0	\$75,552

CARRIER NAME	HIGH-COST LOOP (HCL)	INTERSTATE COMMON LINE SUPPORT (ICLS)	SAFETY NET ADDITIVE (SNA)	SAFETY VALVE SUPPORT (SVS)	FROZEN HIGH-COST SUPPORT (FHCS)	CAF INTERCARRIER COMPENSATION (ICC)	TOTAL HIGH-COST SUPPORT
CELLULAR NETWORK PARTNERSHIP DBA PIONEER CELLULAR	\$0	\$0	\$0	\$0	\$1,153,236	\$0	\$1,153,236
EPIC TOUCH COMPANY	\$0	\$0	\$0	\$0	\$946,980	\$0	\$946,980
H&B CABLE SERVICE, INC.	\$0	\$0	\$0	\$0	\$7,380	\$0	\$7,380
NE COLORADO CELLULAR, INC DBA VIAERO	\$0	\$0	\$0	\$0	\$36,144	\$0	\$36,144
NEX-TECH, INC.	\$0	\$0	\$0	\$0	\$16,104	\$0	\$16,104
NEX-TECH WIRELESS, LLC	\$0	\$0	\$0	\$0	\$11,278,644	\$0	\$11,278,644
S&T COMMUNICATIONS, LLC	\$0	\$0	\$0	\$0	\$4,572	\$0	\$4,572
UNITED WIRELESS COMMUNICATION INC.	\$0	\$0	\$0	\$0	\$1,541,040	\$0	\$1,541,040
USCOC OF NEBRASKA/KANSAS LLC	\$0	\$0	\$0	\$0	\$4,575,012	\$0	\$4,575,012
WESTLINK COMMUNICATIONS, LLC	\$0	\$0	\$0	\$0	\$780,852	\$0	\$780,852
WILDFLOWER TELECOMMUNICATIONS, LLC	\$0	\$0	\$0	\$0	\$31,584	\$0	\$31,584

*Information obtained from the Universal Service Administration's High-Cost Funding Disbursement Tool, Accessed on January 15, 2016.

Table 1.9
Universal Service Support Mechanisms by State: 2014
(Annual Payments and Contributions in Thousands of Dollars)

	Payments from USF to Service Providers ¹								Estimated Net Dollar Flow ⁴
	High-Cost Support	Low-Income Support	Schools & Libraries	Rural Health Care ²	Total				
					Amount	% of Total	Amount	% of Total	
Alabama	\$92,015	\$23,978	\$47,347	\$1,119	\$163,612	2.09%	\$117,538	1.48%	\$46,074
Alaska	184,225	16,014	52,387	62,286	313,115	4.01%	19,609	0.25%	293,506
American Samoa	2,749	46	1,132	347	4,324	0.06%	696	0.01%	3,628
Arizona	65,858	60,847	64,611	2,816	193,925	2.48%	160,121	2.02%	33,804
Arkansas	84,227	14,959	25,323	4,087	128,386	1.64%	68,690	0.87%	59,696
California	91,526	134,761	340,582	14,316	583,495	7.46%	856,532	10.79%	-273,037
Colorado	68,093	12,120	21,731	2,845	103,848	1.33%	145,850	1.84%	-42,002
Connecticut	464	11,560	18,611	22	32,209	0.41%	106,863	1.35%	-74,654
Delaware	228	3,734	5,430	0	9,318	0.12%	26,107	0.33%	-16,789
District of Columbia	0	5,273	8,387	0	13,323	0.17%	45,484	0.57%	-32,161
Florida	63,601	106,617	81,541	185	249,840	3.20%	494,287	6.23%	-244,447
Georgia	108,097	59,379	96,278	4,879	266,355	3.41%	261,415	3.29%	4,940
Guam	10,694	209	589	122	11,265	0.14%	3,945	0.05%	7,320
Hawaii	23,307	5,780	5,614	264	35,103	0.45%	42,699	0.54%	-7,596
Idaho	42,059	2,465	7,537	463	53,051	0.68%	37,710	0.48%	15,341
Illinois	73,212	69,021	118,537	5,193	262,346	3.36%	325,580	4.10%	-63,234
Indiana	80,002	27,388	47,715	2,722	157,278	2.01%	149,562	1.88%	7,716
Iowa	126,297	7,004	17,639	1,063	154,453	1.98%	74,027	0.93%	80,426
Kansas	147,033	9,613	19,576	734	179,988	2.30%	67,413	0.85%	112,575
Kentucky	120,269	28,880	36,560	2,351	187,503	2.40%	102,338	1.29%	85,165
Louisiana	80,099	33,693	50,403	821	168,427	2.15%	109,648	1.38%	58,779
Maine	22,721	6,732	8,305	6,720	45,249	0.58%	35,853	0.45%	9,396
Maryland	3,596	27,612	24,657	26	54,230	0.69%	170,564	2.15%	-116,334
Massachusetts	2,216	34,011	32,689	135	67,598	0.86%	185,648	2.34%	-118,050
Michigan	32,753	74,176	47,635	8,402	161,931	2.07%	227,070	2.86%	-65,139
Minnesota	104,053	12,673	28,543	4,700	149,901	1.92%	139,816	1.76%	10,085
Mississippi	188,602	15,290	29,993	3,371	238,124	3.05%	63,932	0.81%	174,192
Missouri	100,969	23,160	30,470	1,891	156,295	2.00%	147,474	1.86%	8,821
Montana	89,422	1,939	5,425	5,129	103,438	1.32%	27,035	0.34%	76,403
Nebraska	74,676	1,316	10,937	1,496	87,902	1.12%	54,302	0.68%	33,600
Nevada	23,922	19,998	9,475	324	52,882	0.68%	70,082	0.88%	-17,200
New Hampshire	9,775	2,238	3,499	62	15,008	0.19%	36,897	0.46%	-21,889
New Jersey	929	29,172	64,758	0	93,602	1.20%	249,580	3.14%	-155,978
New Mexico	72,617	17,345	26,058	3,102	118,276	1.51%	47,456	0.60%	70,820
New York	40,934	130,901	103,462	3,207	271,691	3.48%	529,676	6.67%	-257,985
North Carolina	85,824	44,470	81,973	3,971	213,147	2.73%	249,464	3.14%	-36,317
North Dakota	95,513	2,540	3,648	1,404	101,625	1.30%	18,913	0.24%	82,712
N. Mariana Islands	1,265	204	723	12	2,241	0.03%	812	0.01%	1,429
Ohio	40,708	74,472	71,353	1,189	184,594	2.36%	277,195	3.49%	-92,601
Oklahoma	127,040	132,104	60,066	6,377	322,660	4.13%	88,299	1.11%	234,361
Oregon	71,413	10,285	14,107	4,009	99,232	1.27%	92,708	1.17%	6,524
Pennsylvania	77,519	66,435	68,894	1,090	210,712	2.70%	342,984	4.32%	-132,272
Puerto Rico	115,237	44,316	13,423	0	174,243	2.23%	82,497	1.04%	91,746
Rhode Island	30	6,533	7,200	0	13,614	0.17%	26,803	0.34%	-13,189
South Carolina	99,591	34,872	39,291	1,461	175,130	2.24%	117,306	1.48%	57,824
South Dakota	76,349	895	6,906	1,097	83,504	1.07%	22,046	0.28%	61,458
Tennessee	69,669	42,555	38,671	1,510	148,682	1.90%	159,193	2.01%	-10,511
Texas	222,993	82,306	218,274	8,474	530,602	6.79%	557,291	7.02%	-26,689
Utah	24,253	5,598	18,837	1,447	49,778	0.64%	65,673	0.83%	-15,895
Vermont	17,740	1,662	3,103	77	24,145	0.31%	18,797	0.24%	5,348
Virgin Islands	16,428	326	3,988	15	20,693	0.26%	6,150	0.08%	14,543
Virginia	83,349	22,657	35,788	2,419	139,971	1.79%	231,828	2.92%	-91,857
Washington	68,568	25,543	35,715	334	129,112	1.65%	165,691	2.09%	-36,579
West Virginia	44,244	8,573	21,930	1,736	76,292	0.98%	52,445	0.66%	23,847
Wisconsin	121,984	23,481	28,551	10,603	183,582	2.35%	143,065	1.80%	40,517
Wyoming	42,241	134	3,529	553	46,552	0.60%	15,664	0.20%	30,888
Total	\$3,733,198	\$1,659,869	\$2,269,407	\$192,977	\$7,817,405	100.00%	\$7,936,326	100.00%	-\$118,921

Notes: Figures may not add due to rounding. USF is an abbreviation for the Universal Service Fund.

¹ Data are from USAC.

² Includes both the primary and pilot programs.

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FCC estimate. See the Technical Appendix at <http://www.fcc.gov/encyclopedia/federal-state-joint-board-monitoring-reports>.

⁴ Net dollar flow is positive when payments from USF to carriers exceed contributions to USF. Total is negative because of administrative expenses.

