

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of Proposed)
Modifications to the Missouri) File No. TO-2019-0346
Universal Service Fund)

**COMMENTS OF THE
MISSOURI CABLE TELECOMMUNICATIONS ASSOCIATION**

Pursuant to the November 5, 2019 “Order Directing Filing,” any party wishing to file comments to the Missouri Public Service Commission (the Commission) is invited to file such comments on or before November 7, 2019. The Missouri Cable Telecommunications Association (MCTA) respectfully submits these Comments, which are a reaffirmation of its prior Comments filed on June 4, 2019 and on July 15, 2019, with supplemental recommendations.

1. MCTA is the statewide organization representing the cable telecommunications industry within the State of Missouri.
2. The “Staff’s Motion to Open Docket and Recommendations” (“Staff’s Motion”) filed May 10, 2019, recommends increasing Universal Service Fund (“USF”) support amounts to \$14.75 per Lifeline program subscriber and \$24.00 per Disabled program subscriber. As noted in the Memorandum attached to the Staff’s Motion, current USF support amounts are \$6.50 for both programs. The size of these proposed increases is unprecedented and unsupported. For example, the last time support amounts increased was 2014, when the increase was from \$3.50 to \$6.50 for each program. See PSC Case No. TO-2014-0444, *Order Decreasing Assessment Rate and Increasing Monthly Support Rate*, issued July 30, 2019. The proposed increase more than doubles

the support amount for the Lifeline program and almost quadruples the amount for the Disabled support program. MCTA believes that increases this large are not warranted and could potentially generate improper incentives for the program, ultimately making it more difficult to curtail or suspend that support if necessary. MCTA respectfully suggests that a more careful analysis be given to the magnitude of any increases that the Commission might order and, indeed, whether any increases to these programs are in the public interest.

3. MCTA also respectfully suggests that alternatives to raising the levels of support be considered. Among these are leaving support at or near current levels to ensure that such support continues either in perpetuity or for many years without need for additional contribution. Another option is to offer refunds to those companies that have contributed to the fund given the existing large surplus in the fund. Dramatically raising the support levels for the Disabled and Lifeline programs is not the only way nor is it the best way to resolve the problem of decreasing demand for the support and an over-funded Missouri USF. MCTA submits that the Commission should carefully evaluate alternatives to those recommended by Staff.

4. The impetus for the “Order Directing Filing” appears to be the “Staff’s Notice to Commission” dated October 29, 2019, wherein Staff correctly notes that Federal Lifeline program support will decrease from \$9.25 to \$7.25 on December 1, 2019 for voice-only service. MCTA respectfully submits that under the *2016 Lifeline Modernization Order*, support for mobile and fixed voice-only service will continue to decrease over time, until such program support is eliminated in 2021.

Attachment A to “Staff’s Response to Commission Order Directing Filing,” as filed on July 8, 2019, notes that, should the Commission increase program support for the Lifeline and Disabled programs to the levels recommended in “Staff’s Motion to Open Docket and Recommendations” (“Staff’s Motion”) filed May 10, 2019, without addressing the problem of over-assessments, the program has sufficient reserves to operate until 2042 notwithstanding any changes in program population.

5. Rather than increase payments as Staff recommends, MCTA respectfully urges the Commission is to phase down payments for fixed voice-only service under the Lifeline program, as the Federal Communications Commission (FCC) is doing pursuant to 2016 *Lifeline Modernization Order and following* a similar trajectory and timeline. This phase-down period will allow time for the Commission and the Legislature to consider alternatives to the current outdated Lifeline program.

6. Staff’s motion also recommends that assessments funding the USF be suspended as of January 1, 2020. MCTA supports this recommendation.

7. MCTA appreciates the opportunity to comment on Staff’s Motion.

November 7, 2019

Respectfully submitted,

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