

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

In the Matter of a Repository Case in Which to)
Gather Information About the Lifeline Program) File No. TW-2014-0012
And Evaluate the Purposes and Goals of the)
Missouri Universal Service Fund)

**RESPONSE OF THE MISSOURI CABLE TELECOMMUNICATIONS
ASSOCIATION TO NOTICE OF OPPORTUNITY TO COMMENT**

COMES NOW Missouri Cable Telecommunications Association (MCTA) in response to the Staff’s request for comments dated July 25, 2013. For its response, the MCTA states:

- a. What should be the purposes and goals of Missouri USF?

RESPONSE: The statutory charter for the Missouri Universal Service Fund (USF) is set forth in Section 392.248, RSMo. Subsection 1 states that the function is “to insure just, reasonable, and affordable rates for reasonably comparable essential local telecommunications services throughout the state, there is hereby established the ‘Universal Service Board’...”

Subsection 2 refines the purpose by stating “funds from the Universal Service Fund shall only be used: (1) to insure the provision of reasonably comparable essential local telecommunication service, as that definition may be updated by the Commission by rule, throughout the state including high-cost areas, at just, reasonable, and affordable rates; (2) to assist low-income customers and disabled customers in obtaining affordable essential telecommunication services; and (3) to pay the reasonable, audited costs of administering the Universal Service Fund.”

The currently proposed amendments to Chapter 31 of the Commission’s Rules in File No. TX-2013-0324 are consistent with the above provisions, and with the conclusion

that it is unlikely there will be a high-cost component of state universal service funding.

The MCTA will reserve other remarks for comments in docket TW-2013-0324.

- b. What problems should be addressed in the administration and operation of the Missouri USF?

RESPONSE: As noted in the Staff's report of July 10, 2013, and reflective of recent FCC activity, elimination of duplicate service and non-qualified persons' participation in USF programs should be addressed to minimize waste, fraud and abuse. MCTA notes that the Commission's current proposed rulemaking addresses these issues, consistent with current FCC activity.

The MCTA will reserve other remarks for comments in docket TW-2013-0324; however, an end user surcharge should be an option, not a mandatory requirement. Carriers should be able remit funds received via a surcharge, or remit an amount based on applying the percentage assessment to the carrier's Missouri net jurisdictional revenue. Carriers should be entitled to a periodic true-up (particularly in the event remittances are based on application of the percentage assessment). Quarterly remittances to the fund administrator should be an option to monthly remittances, and not merely permitted subject to the fund administrator's discretion.

- c. What changes should be made to the Missouri USF?

RESPONSE: Please see the response to (b) above. MCTA suggests that the USB, Staff, ETCs, low-income advocates, and other providers and customers observe the impact of the proposed new rules before making additional changes to the Missouri USF.

- d. Should wireless carriers be required to contribute the Missouri USF and also be able to receive Missouri USF support?

RESPONSE: The MCTA will reserve its remarks for comments in docket TW-2013-0324.

- e. Should the Lifeline Program be expanded in Missouri to insure qualifying, low-income consumers have access to broadband service? If yes, how should the Program be expanded?

RESPONSE: Please see the response to (a) above. The MCTA will reserve other remarks for comments in docket TW-2013-0324.

- f. Should eligibility criteria for consumers to qualify for the Lifeline Program be expanded? If so, how?

RESPONSE: Use of the federal poverty level is a convenient benchmark for qualifying low-income program participants. However, there may be other measures to use that the participants should explore.

- g. Should the Missouri USF support amount of \$3.50 be increased, decreased, or remain the same?

RESPONSE: MCTA suggests there is not currently sufficient information of the impact of an increase in subsidy on service penetration in the target population to justify a change.

- h. Do you anticipate the FCC's reforms, when fully implemented, will adequately address fraud, abuse and waste within the Lifeline Program? Why or why not?

RESPONSE: Certainly cross-referencing and using available databases will help reduce problems of duplication and unqualified recipients of Lifeline assistance. The

new FCC efforts, reflected in the proposed Missouri Rule amendments, should also improve program monitoring by ETCs.

- i. What specific compliance efforts would be easy to implement to insure companies and consumers comply with Lifeline Program requirements?

RESPONSE: MCTA does not have easy compliance suggestions at present. MCTA will continue to consider possible alternatives, and will, through its members, monitor the experience with the new FCC and MoPSC initiatives.

- j. Should the state of Missouri strive to implement a database to confirm Lifeline subscriber eligibility? If yes, how should it be funded?

RESPONSE: MCTA suggests that data-sharing poses problems for social service agencies by dissemination of private, protected participant information. Before payment sources for costs of such a program are considered, a system through which social service agencies are comfortable sharing necessary information, and the level of costs of such a program, must be determined.

- k. What other issues should be considered in this workshop proceeding?

RESPONSE: MCTA suggests that refining target populations and quantifying expected or target results of Lifeline program participation would be a useful topic for this workshop.

WHEREFORE, having responded to Staff's request for comments, MCTA submits this filing.

Respectfully submitted,

MISSOURI CABLE
TELECOMMUNICATIONS ASSOCIATION

By and Through Counsel

BLITZ, BARDGETT & DEUTSCH, L.C.

By: /s/ Thomas R. Schwarz, Jr.
James B. Deutsch, #27093
Thomas R. Schwarz, Jr., #29645
Thomas W. Rynard, #34562
308 East High Street, Suite 301
Jefferson City, MO 65101
Telephone: 573-634-2500
Facsimile: 573-634-3358
Email: jdeutsch@bbdlc.com
Email: tschwarz@bbdlc.com
Email: trynard@bbdlc.com

CERTIFICATE OF SERVICE

I hereby certify that a true and accurate copy of the foregoing Response of the Missouri Cable Telecommunications Association to Notice of Opportunity to Comment was served via electronic transmission to all participants this 3rd day of September, 2013.

 /s/ Thomas R. Schwarz, Jr.
Thomas R. Schwarz, Jr.