

MEMORANDUM

To: Missouri Public Service Commission Official Case File
Case No. CO-2010-0054
Company Name: DPI Teleconnect, LLC

From: Dana Parish
Telecommunications Department

/s/ John Van Eschen (5/28/10) /s/ Jennifer Hernandez (5/28/10)
Utility Operations Division/Date General Counsel's Office/Date

Subject: Staff Recommendation Regarding DPI Teleconnect, LLC Application for ETC Status

Date: May 28, 2010

Introduction

On August 7, 2009, dPi Teleconnect, LLC (dPi or Company), a competitive local exchange carrier (CLEC) certificated in Case No. TA-2000-44, filed an application with the Missouri Public Service Commission (PSC) seeking designation as an Eligible Telecommunications Carrier (ETC) for the purpose of receiving federal universal service fund support for low income customers exclusively. In applying for status as an ETC carrier, dPi is requesting waivers of 4 CSR 240-3.570(2)(A)1-3, 4 CSR 240-3.570(2)(C), and 4 CSR 240-3.570(3)(C)3. On May 24, 2010, the Commission ordered the Staff to file its final recommendation no later than May 28, 2010.

Summary

A company must receive state ETC designation in order to receive either high-cost support and/or low-income funding from the federal Universal Service Fund (USF). Low-income funding is associated with the federal Lifeline and LinkUp programs. These programs provide funding to companies who offer discounts to monthly charges and installation charges for local voice service subscribed to by consumers meeting certain criteria. The Missouri USF can also provide funding support to low-income consumers as well as qualifying disabled consumers, but ETC status is only necessary for federal USF funding.¹ In this regard dPi's pending ETC request is limited to receiving federal low-income support.

Attachment A identifies the specific requirements for ETC designation in order to receive low-income support. This attachment indicates whether the Company has sufficiently addressed the requirement or whether the company remains deficient. Attachment A also attempts to identify

¹ Missouri PSC rule 4 CSR 240-31.050(1) identifies the separate process used by carriers seeking Missouri USF funding.

the specific location within the Company's ETC application along with data request responses whereby the Company has attempted to address a specific requirement. On March 5, 2010, Staff filed its Staff Recommendation with a similar Attachment A reflecting dPi's deficiencies.

Recommendation

Since its filing, the Staff has reviewed the Company's *Response to Staff Recommendation*, the Company's 2007, 2008 and 2009 amended Annual Reports and updated Tariff. dPi has adequately addressed all deficiencies. These updates have been reflected in the current Attachment A.

Staff recommends that the Commission grant ETC designation to dPi, for the purpose of receiving federal low-income USF support.

In response to dPi's waiver requests, Staff recommends that the Commission either grant the waivers, or in the alternative, state that these requirements only apply to telecommunications companies seeking high-cost USF support.