

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

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

**Response of the Missouri Small Telephone Company Group
And the Missouri Independent Telephone Company Group
To the Staff Memorandum**

The Missouri Small Telephone Company Group (STCG) and Missouri Independent Telephone Company Group (MITG)¹ offer the following response to Staff's October 6, 2020, Memorandum to the Commission regarding the Missouri Universal Service Fund (MoUSF).

Introduction

The STCG and MITG consist of thirty-five (35) small, Incumbent Local Exchange Carriers (ILECs), each serving between approximately 200 and 15,000 access lines in predominately rural areas within the state of Missouri. The STCG and MITG companies have a long history of providing state-of-the-art telecommunications service to rural Missouri. Many STCG and MITG members have been providing service for over 100 years, and the STCG and MITG companies continue to upgrade their networks to provide advanced telecommunications services, including broadband transmission services, in rural Missouri.

The STCG and MITG support Staff's proposal to increase the MoUSF support amount for voice-only Lifeline service from \$16.75 to \$18.75, if the FCC continues with its plan to reduce such support by \$2.00 on December 1, 2020. In addition, the STCG

¹ See Attachment A.

and MITG support Staff's proposal to continue to suspend the MoUSF assessment for one year, through December 31, 2021.

Increasing Monthly Support Rate

On November 21, 2019, the Commission issued its Order Suspending Assessment Rate and Increasing Monthly Support Rate in the instant docket which, among other things, adopted Staff's Recommendation to increase the amount of MoUSF support so that the total Lifeline support, state and federal combined, shall be \$24.00 a month. On December 3, 2019, the Commission issued its Order Regarding Motion for Clarification which, among other things, clarified that the monthly MoUSF support for Lifeline program subscribers shall "be increased up to \$16.75, so that the total Lifeline support from federal and state programs combined shall be \$24.00."

(emphasis added)

The Commission noted in its November 21, 2019, Order, Section 392.248.1, RSMo., creates the Missouri Universal Service Board and charges it with the duty to "ensure just, reasonable, and affordable rates for reasonably comparable essential local telecommunications service throughout the state. . . . the Commission is required to establish a level of funding needed to accomplish (t)he purposes of the Universal Service Fund." As a result, the Commission determined that it was appropriate to increase total Lifeline support, state and federal combined, to \$24.00 per month.

As the Staff notes, the federal voice-only Lifeline support was reduced from \$9.25 to \$7.25 on December 1, 2019. However, the FCC intends to further reduce this support amount from \$7.25 to \$5.25 on December 1, 2020. (*Staff Memorandum*, p. 2) Thus, in order for voice-only Lifeline subscribers to continue to receive the full \$24.00

monthly discount, the MoUSF support for voice-only Lifeline subscribers will need to be increased from \$16.75 to \$18.75, if the FCC continues with its plan to reduce support by \$2.00 on December 1, 2020.

Suspension of the MoUSF Assessment

The STCG and MITG support Staff's proposal to suspend the MoUSF assessment for an additional year through December 31, 2021. The STCG and MITG further support Staff's Recommendation that the Commission make an annual decision about the assessment and agree that such an approach is more prudent and will be less confusing than if the Commission suspended the assessment for a longer period only to decide later to shorten the suspension period and reinstate the assessment.

Bill System Changes

Finally, the STCG and MITG support Staff's recommendation that companies be allowed flexibility to implement the increase to the MoUSF support payment as soon as practical, but no later than February 1, 2021. The capabilities of the companies' billing systems vary from company to company. The sooner the Commission can make a determination in this case, the sooner billing systems can be changed to accommodate the increase in the MoUSF voice-only Lifeline support payment. Companies should be permitted the option to implement the increase on December 1, 2020, if their billing systems can be modified to do so. However, if additional time is necessary, companies should be given the flexibility to implement the change as soon after December 1, 2020, as practical, but no later than February 1, 2021.

Conclusion

In conclusion, the STCG and MITG support Staff's Memorandum and recommendation that the Commission (1) increase MoUSF support for voice-only Lifeline subscribers from \$16.75 to \$18.75 effective December 1, 2020, if the FCC reduces federal support for these subscribers from \$7.25 to \$5.25; (2) allow companies the flexibility to implement the increase to MoUSF support amount as soon as practical, but no later than February 1, 2021; (3) continue the suspension of the MoUSF assessment for one year through December 31, 2021; and (4) issue such other Orders as are reasonable in the circumstances.

Respectfully submitted,

Brydon, Swearingen & England, P.C.

/s/ Trip England

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the above and foregoing document was delivered by first class mail, electronic mail or hand delivery, on this 15th day of October, 2020, to the following parties:

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/s/ Trip England_____

ATTACHMENT A

Missouri Small Telephone Company Group

BPS Telephone Company
Citizens Telephone Company of Higginsville, Mo.
Craw-Kan Telephone Cooperative, Inc.
Ellington Telephone Company
Farber Telephone Company
Fidelity Telephone Company
Goodman Telephone Company
Granby Telephone Company
Grand River Mutual Telephone Corporation
Green Hills Telephone Corporation
Holway Telephone Company
IAMO Communications, Inc.
Kingdom Telephone Company
K.L.M. Telephone Company
Le-Ru Telephone Company
Lathrop Telephone Company
Mark Twain Rural Telephone Company
McDonald County Telephone Company
Miller Telephone Company
New Florence Telephone Company
New London Telephone Company
Northeast Missouri Rural Telephone Company
Orchard Farm Telephone Company
Ozark Telephone Company
Peace Valley Telephone Company, Inc.
Rock Port Telephone Company
Seneca Telephone Company
Steelville Telephone Exchange, Inc.
Stoutland Telephone Company

Missouri Independent Telephone Company Group

Alma Communications Company d/b/a Alma Telephone Company
Chariton Valley Telephone Corporation
Choctaw Telephone Company
MoKAN DIAL Inc.
Oregon Farmers Mutual Telephone Company
Otelco Mid-Missouri, LLC