

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

In the Matter of a Proposed Amendment to)	
4 CSR 240-31.010 Regarding the Missouri)	Case No. TX-2012-0392
Universal Service Fund)	

AT&T MISSOURI'S COMMENTS

COMES NOW Southwestern Bell Telephone Company, d/b/a AT&T Missouri (“AT&T Missouri”), and respectfully files these comments in response to the Commission’s proposal to amend Commission Rule 31.010 (4 CSR 240-31.010) of its Missouri Universal Service Fund (“MoUSF”) rules. The purpose of the proposed amendment is to “conform to new federal guidelines concerning eligibility to receive Lifeline Program support.” 37 Mo. Register 13 (July 2, 2012).

AT&T Missouri supports aligning the low-income eligibility requirements of the MoUSF with those of the federal USF. First, it would help the company’s ongoing administration of the two USF programs be more efficient and cost effective. Second, it would eliminate the potential for customer confusion that might be caused by differing eligibility requirements between the state and federal programs.

For these reasons, with regard to the specific language of the proposed amendments, AT&T Missouri supports making the Commission’s definitions of “household,” and “income” the same as the FCC’s definitions of these terms. The language of the Commission’s proposed definitions correctly does so.¹

AT&T Missouri also supports the Commission’s proposal to add an income-based eligibility criteria to the MoUSF that is the same as the FCC’s definition of a “qualifying low-

¹ Compare, proposed Rule 31.010(8) and (9) and FCC Rules 54.400(h) and (f), respectively, reprinted at *Lifeline Reform Order*, at Appendix A.

income consumer” for federal USF purposes.² However, to properly effectuate this alignment, the language of the Commission’s proposed rule should be modified slightly. At present, the proposed rule indicates that the *customer’s* income must be at or below 135% of the Federal Poverty Guidelines in order to qualify for Lifeline Program support. In contrast, the FCC’s rule states that a customer’s *household* income must be at or below 135% of the Federal Poverty Guidelines.³ To ensure proper alignment of the state and federal rule, the Commission’s proposed rule should, therefore, insert the word “household” immediately before the word “income.”⁴

Similarly, except in one respect, AT&T Missouri supports the Commission’s proposed language that would amend Rule 31.010(17) is to make the Commission’s definition of “essential local telecommunications services” the same as the FCC’s definition of “voice telephony services.”⁵ The exception has to do with toll limitation services. Included as a component within the FCC’s definition of voice telephony services is “toll limitation services to qualifying low-income consumers *as provided in subpart E of this part.*”⁶ (emphasis added). In contrast, the Commission’s proposed rule (which concludes by stating “toll limitation services to

² Compare, proposed Rule 31.010(11) and FCC Rules 54.400(a) and 54.409(a)(1), reprinted at *Report and Order*, In the Matter of Lifeline and Link Up Reform and Modernization, WC Docket No. 11-42, et al., FCC 12-11, rel. February 6, 2012 (“*Lifeline Reform Order*”), at Appendix A.

³ See, FCC Rule 54.409(a)(1), reprinted at *Report and Order*, at Appendix A.

⁴ The proposed rule would thus state: “Low-income customer – Any customer who requests or receives residential essential local telecommunications service and whose *household* income, as defined in section (9) above, is at or below one hundred thirty-five percent (135%) of the Federal Poverty Guidelines” (emphasis added). Making this slight change would also eliminate any potential conflict with proposed Rule 31.010(9) which properly reflects that the definition of “income” encompasses “[a]ll income actually received by *all members* of the household.” (emphasis added).

⁵ Except in this one respect, the textual differences between the rules are immaterial. Compare, proposed Rule 31.010(6) and FCC Rule 54.101(a), reprinted at *Lifeline Reform Order*, at Appendix A.

⁶ See, FCC Rule 54.101(a), reprinted at *Lifeline Reform Order*, at Appendix A.

qualifying low-income consumers”)⁷ truncates the FCC’s definition. This is a material departure which should be corrected.

FCC Rule 54.101 (which is within Subpart E of its rules) states, in pertinent part: “Toll limitation service does not need to be offered for any Lifeline service that does not distinguish between toll and non-toll calls in the pricing of the service.”⁸ As the FCC explained, its determination is based on the communications marketplace:

We conclude that the original policy rationale for requiring all [eligible telecommunications carriers] to offer toll limitation service to low-income consumers no longer remains valid in light of significant changes in the communications marketplace over more than a decade. Many carriers no longer distinguish between toll and non-toll calls in how they price voice telephony. The notion of higher priced long distance or “toll” calling is increasingly irrelevant in today’s marketplace. Low-income consumers often have options for service that provide the ability to make calls for a flat price, regardless of the location of the called party. With such service plans, the need to block or limit toll calls to protect against unexpected, higher charges is necessarily moot. Indeed, we note that today, only 5 percent of Lifeline subscribers also subscribe to [toll limitation service].⁹

AT&T Missouri thus requests that the Commission further align its “voice telephony services” definition with that of the FCC by simply adding to the end of its proposed Rule 31.010(17) the same sentence already endorsed by the FCC: “Toll limitation service does not need to be offered for any Lifeline service that does not distinguish between toll and non-toll calls in the pricing of the service.” That single addition would align the Commission’s definition with that of the FCC.

Finally, AT&T Missouri would observe that, quite apart from the rule amendments currently under consideration in this proceeding, the Commission should move quickly to modify other of its MoUSF rules in light of developments in the federal USF’s administration.

⁷ See, proposed Rule 31.010(17).

⁸ See, FCC Rule 54.401(a), reprinted at *Lifeline Reform Order*, at Appendix A.

⁹ *Lifeline Reform Order*, at ¶ 229.


Proposed rules which we understand have been crafted by the Staff should be made the subject of industry comment and Commission action as quickly as possible. As an example, one area in need of attention is the Commission's annual verification requirements.

To illustrate, the Commission presently allows a customer 60 days in which to demonstrate continued eligibility for low-income MoUSF benefits, while the FCC allows only 30 days to demonstrate continued eligibility.¹⁰ This and other material aspects of the administration of the MoUSF warrant a change to avoid conflict with the FCC's new rules.

AT&T Missouri appreciates the opportunity to provide the Commission its comments in this proceeding and urges that the Commission adopt the changes in its proposed rules which AT&T Missouri has herein suggested.

Respectfully submitted,

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¹⁰ Compare, 4 CSR 240-31.050(3)(F) ("Individuals shall be allowed sixty (60) days following the date of the impending termination letter to demonstrate continued eligibility to the telecommunications company. The telecommunications company shall terminate discounted services supported by the low-income customer or disabled customer program to any customer who fails to demonstrate continued eligibility within the sixty (60)-day time period.") and FCC Rule 54.405(e)(1), reprinted at *Lifeline Reform Order*, at Appendix A ("The carrier must allow a subscriber 30 days following the date of the impending termination letter required to demonstrate continued eligibility. . . . A subscriber making such a demonstration must present proof of continued eligibility to the carrier consistent with applicable annual re-certification requirements, as described in § 54.410(f). An eligible telecommunications carrier must terminate any subscriber who fails to demonstrate continued eligibility within the 30-day time period.")

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing document were served to each of the below by e-mail on July 30, 2012.


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