

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

In the Matter of )  
 )  
Southwestern Bell Telephone Company, )  
d/b/a AT&T Missouri's, Notice of ) Case No.  
Relinquishment of Its Eligible )  
Telecommunications Carrier Designation )  
Pursuant to 47 U.S.C. §214(e)(4) and Notice )  
of Withdrawal From State Lifeline and )  
Disabled Programs )

**AT&T MISSOURI'S NOTICE OF RELINQUISHMENT  
OF ITS ELIGIBLE TELECOMMUNICATION CARRIER DESIGNATION  
PURSUANT TO 47 U.S.C. §214(e)(4) and NOTICE OF WITHDRAWAL FROM STATE  
LIFELINE AND DISABLED PROGRAMS**

AT&T<sup>1</sup> respectfully submits<sup>2</sup> this notice of relinquishment of its Eligible Telecommunications Carrier (“ETC”) designation in the State of Missouri, effective July 5, 2017.<sup>3</sup> This relinquishment of AT&T’s ETC designation meets all applicable requirements and should be expeditiously accepted. AT&T requests that an order confirming this relinquishment be issued by January 13, 2017.

---

<sup>1</sup> Southwestern Bell Telephone Company, d/b/a AT&T Missouri, will be referred to herein as “AT&T.”  
<sup>2</sup> AT&T submits this notice pursuant to 47 U.S.C. § 214(e)(4), 47 C.F.R. § 54.205, and 4 C.S.R. 240-2.080.  
<sup>3</sup> In order to meet this date and provide ample notice to customers and ensure an orderly transition, AT&T respectfully suggests a procedural path along the following lines, with objections to data requests due five calendar days after submission and responses due ten calendar days after submission:

|                                        |                                                                   |
|----------------------------------------|-------------------------------------------------------------------|
| November 4, 2016                       | Order re: Notice, Dates for Intervention and Staff Recommendation |
| November 18, 2016                      | Intervention, Objections and Comments                             |
| December 9, 2016                       | Staff Recommendation                                              |
| January 13, 2017                       | Order Granting Relinquishment Request                             |
| March 31, 2017                         | Cease Enrolling New Customers in Lifeline and Disabled Programs   |
| (or date of Order, whichever is later) |                                                                   |
| July 5, 2017                           | Effective Date of ETC Relinquishment                              |

In addition, AT&T hereby notifies the Commission that it plans to cease offering discounted telephone service under the voluntary state Lifeline and Disabled programs, to coincide with the effective date of its ETC relinquishment.

In addition, AT&T hereby notifies the Commission that it plans to cease offering discounted telephone service under the voluntary state Lifeline and Disabled programs, to coincide with the effective date of its ETC relinquishment.

### **BACKGROUND**

1. Pursuant to 47 U.S.C. § 214(e)(1), ETCs are eligible to receive federal universal service funding in accordance with 47 U.S.C. § 254, in exchange for which they are required to offer and advertise supported services pursuant to 47 C.F.R. §54.201(d). Federal universal service funding includes reimbursement from the Lifeline Assistance Program (“Lifeline”) for offering services to eligible low-income consumers at discounted prices.

2. Additionally, in an Order issued March 31, 2002, in Case No. TO-98-329, the Commission established a voluntary state program in Missouri to implement assistance to low-income customers and customers with certain disabilities for telecommunications services under the Lifeline programs funded from the Federal Universal Service Fund and the Missouri Universal Service Fund:

Under the FCC rules all eligible telecommunications carriers must offer Lifeline service. Pursuant to Section 392.248, RSMo Supp. 1999, only telecommunications companies that provide essential telecommunications service can receive support under the state Lifeline program. Neither the state statute nor the rules require such companies to participate; rather, they must apply to the administrator to receive funds. Companies choosing to participate

in the Lifeline program shall comply with the requirements of this document.<sup>4</sup>

3. AT&T has participated in the state and federal Lifeline programs from their inception. AT&T serves as an ETC in the Missouri wire centers identified in **Exhibit A** (“current ETC designated area”).

4. Dramatic changes have occurred within the telecommunications market since AT&T began serving as an ETC, and those changes affect AT&T’s desire to continue operating as an ETC in Missouri. Customers increasingly are no longer choosing AT&T’s or ILECs’ traditional (*i.e.*, circuit-switched POTS) wireline residential voice service, and instead are choosing among numerous other options for their communications needs, including wireless and VoIP services. From 2005 to 2015, the number of traditional ILEC wireline customers in Missouri decreased by 72%, from 2 million lines to 552,000 lines.<sup>5</sup> AT&T’s traditional retail residential lines declined by 84% during that same period.

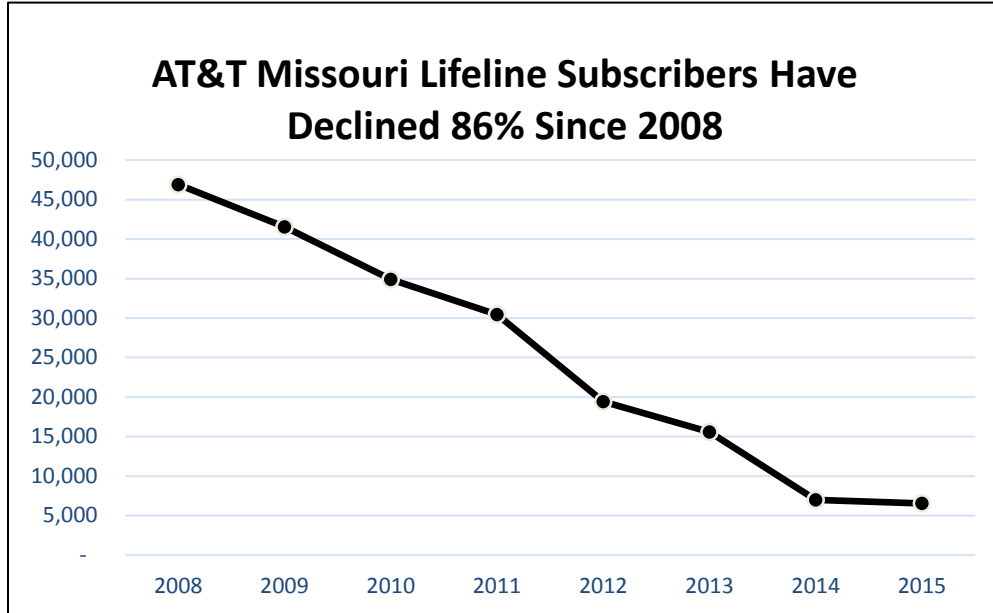
5. AT&T’s number of Lifeline subscribers likewise has plummeted, even as the total number of Lifeline subscribers has grown, because consumers have demonstrated a strong preference for obtaining their Lifeline discount from wireless carriers. While the number of Lifeline subscribers throughout Missouri grew 119% from 2008 to the end of 2015, the number of AT&T Lifeline customers declined by 86%. As of year-end 2015, AT&T served only about

---

<sup>4</sup> *In Re Missouri Universal Serv. Fund*, TO-98-329, 2002 WL 1396167 (Mar. 31, 2002).

<sup>5</sup> See FCC Local Competition Reports (2005-2013) and FCC Voice Telephone Services Reports (2014-2015). December 2015 is an estimate.

4.2% of Missouri's 156,000 Lifeline customers.



6. In light of these regulatory and economic changes, AT&T seeks an order confirming relinquishment of its ETC designation throughout its ETC designated area. (The ETC designation is necessary, as interpreted by the FCC, to participate in the Lifeline program.) The relatively small number of AT&T Lifeline subscribers in its ETC designated area can obtain Lifeline-discounted service from numerous other ETCs. Thus, for AT&T, the regulatory obligations associated with being an ETC are no longer justified in AT&T's ETC designated area.

7. Furthermore, AT&T's ETC designation is not necessary to achieve universal service objectives. AT&T's relinquishment of its ETC designation will not affect either the ability of other ETCs to participate in the federal universal service program, including Lifeline, or the amount of support available in Missouri. After relinquishment, AT&T will continue to offer and provide service in its Missouri service territory – the only impact of relinquishment will be that AT&T will no longer provide discounts under the Federal and State Lifeline

Programs and the State Disabled Program. Relinquishment also will not affect AT&T Missouri's deployment of broadband service.

### **LEGAL STANDARD**

8. In 47 U.S.C. § 214(e)(2) and (4) and 47 C.F.R. § 54.205, Congress and the FCC delegated authority to state commissions to designate carriers as ETCs and to permit carriers to relinquish their ETC designation. The standard for relinquishing an ETC designation is set forth in 47 U.S.C. §214(e)(4), which states, in pertinent part:

A State commission...**shall permit an eligible telecommunications carrier to relinquish its designation as such a carrier in any area served by more than one eligible telecommunications carrier.** An eligible telecommunications carrier that seeks to relinquish its eligible telecommunications carrier designation for an area served by more than one eligible telecommunications carrier shall give advance notice to the State commission...of such relinquishment. (Emphasis added).<sup>6</sup>

9. The law does not treat relinquishment of an ETC designation by an ILEC any differently than relinquishment by other designated ETCs. The Commission previously has permitted telecommunications carriers to relinquish their ETC designations upon request.<sup>7</sup>

---

<sup>6</sup> 47 U.S.C. § 214(e)(4) also provides, in part:

Prior to permitting a telecommunications carrier designated as an eligible telecommunications carrier to cease providing universal service in an area served by more than one eligible telecommunications carrier, the State commission...shall require the remaining eligible telecommunications carrier or carriers to ensure that all customers served by the relinquishing carrier will continue to be served, and shall require sufficient notice to permit the purchase or construction of adequate facilities by any remaining eligible telecommunications carrier.

This language is inapplicable to the request here because AT&T will not discontinue *any* service as a result of the Commission granting this Petition. Rather, AT&T will continue to provide the services it offers today until such time as it obtains any necessary approvals to discontinue any of them. Thus, even after AT&T's ETC designation is relinquished, every AT&T customer will continue to have AT&T services available.

<sup>7</sup> See orders granting requests to relinquish ETC designations in Case Nos. RD-2016-0234, issued April 8, 2016 (Nexus Communications, Inc., d/b/a Reachout Wireless); RA-2015-0219, issued April 23, 2015 (Cricket Communications, Inc.); RA-2016-0308, issued June 5, 2015 (Aegis Telecom, Inc. d/b/a Off The Hook Telecom); TO-2015-0136, issued December 1, 2014 (ExOp of Missouri d/b/a FairPoint Communications); and RA-2015-0091, issued November 21, 2014 (T-Mobile Central, LLC).

## AT&T IS ENTITLED TO RELINQUISH ITS ETC DESIGNATION

10. AT&T meets the standard for relinquishment of its ETC designation because each wire center in AT&T's current ETC designated area has at least one other ETC (the standard for relinquishment). In fact, there are at least 10 other designated ETCs in the wire centers in AT&T's designated ETC area (and some wire centers have as many as 20 other designated ETCs), which is well beyond what the law requires for ETC relinquishment. Those other ETCs are listed in **Exhibit B**.<sup>8</sup> To the best of AT&T's knowledge each of those entities remains a designated ETC in those wire centers. Concurrently with the effective date of this relinquishment, AT&T also will cease offering discounted telephone service under the state Lifeline and Disabled programs.

11. After the relinquishment effective date, AT&T will continue to offer its services to all customers throughout its former ETC designated area, including low-income consumers. The only change will be that discounts under the Federal and State Lifeline Programs and the State Disabled Program will no longer be available to AT&T's customers. AT&T's current Lifeline customers can continue to receive service from AT&T or may receive the Lifeline discount from another ETC, as every wire center in the covered area has several other designated ETCs. As of June 30, 2016, AT&T had only 6,877 Lifeline customers in Missouri and, as shown above, that number has been decreasing over time as eligible consumers have elected to obtain their Lifeline discount from other ETCs.

12. AT&T will ensure that its Lifeline customers receive ample notice of the need to select another ETC in order to continue receiving a Lifeline discount. At least 60 days prior to

---

<sup>8</sup> To be clear, each ETC listed on Exhibit B is a designated ETC in one or more of AT&T's wire centers, and every such wire center has at least 10 ETCs other than AT&T.

the relinquishment effective date, AT&T will provide notice in a separate letter via U.S. Mail to each of its affected Lifeline and Disabled program customers explaining that AT&T will no longer offer a Lifeline or Disabled program discount. AT&T also will send each remaining affected Lifeline and Disabled program customer a second notice letter and a bill page message at least 15 days prior to the relinquishment date. All notices will inform each affected customer that a Lifeline discount can be obtained from the remaining ETCs in the area and will provide the link to [lifelinesupport.org](http://lifelinesupport.org) and the Commission's website through which a customer may obtain carrier-specific contact information. All affected Lifeline and Disabled program customers will be able to obtain service from AT&T, although the Lifeline and Disabled program discounts will be removed as of the relinquishment effective date. **Exhibit C** is a sample copy of the language that will be used in the letters and bill page message that AT&T intends to deliver to each of its affected Lifeline and Disabled program customers.

13. To avoid customer confusion and assist with a smooth transition process, AT&T will stop enrolling customers in the Lifeline and Disabled programs as of the date the Commission issues an Order confirming relinquishment or March 31, 2017, whichever is later. This approach, which is consistent with the approach this Commission<sup>9</sup> and others<sup>10</sup> have

---

<sup>9</sup> *In the Matter of Cricket Communication, Inc. Notice of Relinquishment of Its Eligible Telecommunications Carrier Designation Pursuant to 47 U.S.C. §214(e)(4)*, Order Granting Request to Relinquish ETC Designation, Case No. RA-2015-0219, issued April 23, 2015 (“Cricket Communications, Inc. may stop taking orders for new Lifeline service effective May 1, 2015 . . . Cricket Communication, Inc.’s relinquishment of its Eligible Telecommunications Carrier status is granted effective July 1, 2015 [relinquishment date corrected to July 31, 2015, by subsequent Order of Correction]”).

<sup>10</sup> See *Application of Sprint Nextel Corporation to Relinquish Its Designation as an Eligible Telecommunications Carrier*, Texas PUC Docket No. 40543, Staff Memo at 2 (July 25, 2012) (“Ms. Kimberly Scardino, Deputy Division Chief, the FCC TAPD, stated in an email to Staff dated July 24, 2012, that Staff’s requirement that no new Lifeline customers be enrolled in Sprint Nextel’s Lifeline plan after the 90-day notices have been sent does not conflict with Federal ETC requirements.”); *Telecommunications Carriers Eligible for Support, Federal-State Joint Board on Universal Service*, WC Docket No. 09-197, CC Docket No. 96-45, 27 FCC Rcd. 14215 (WCB 2012) (approving Verizon Wireless’s ETC relinquishment notice, which also informed the Commission that it would cease enrolling new Lifeline customers prior to its relinquishment date). See also, *Cricket’s Notice of Relinquishment of Eligible Telecommunications Carrier Designations*, WC Docket No. 09-197, CC Docket No. 96-45, filed with the FCC on October 14, 2014; *In re: Application of Cricket Communications, LLC for a Commission Order Granting*

previously taken, will prevent a newly enrolled Lifeline customer from having to change to another Lifeline provider shortly thereafter.

14. AT&T requests that the Commission issue an order confirming its ETC relinquishment and its withdrawal from the voluntary state Lifeline and Disabled programs as soon as possible, but no later than January 13, 2017, so that AT&T can provide ample notice to its affected Lifeline and Disabled program customers prior to the relinquishment effective date of July 5, 2017.

### **CONCLUSION**

Having demonstrated that it meets the requirements for relinquishment of its ETC designation, AT&T respectfully requests that the Commission issue an order by January 13, 2017:

- Confirming AT&T's relinquishment of its ETC designation in Missouri, effective July 5, 2017;
- Confirming that AT&T will cease enrolling customers in the Lifeline program on the date the Commission issues its order or March 31, 2017, whichever is later; and
- Acknowledging AT&T's notice that it will cease providing state Lifeline and Disabled discounts coincident with the effective date of its ETC relinquishment.

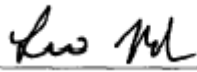
---

*Relinquishment of its Designations as a Lifeline-Only Eligible Telecommunications Carrier*, Case No. 2015-00135, Kentucky Public Service Commission (May 14, 2015); Order Granting Petition for Relinquishment of Eligible Telecommunications Carrier Designation, *In re: Petition of Cricket Communications, Inc. for Designation as an Eligible Telecommunications Carrier*, Order No. 02 in Docket UT-111534, Washington State Utilities and Transportation Commission (February 26, 2015); Order Cancelling Eligible Telecommunications Carrier Designation, *In re Petition of Cricket Communications, Inc. for Relinquishment of Eligible Telecommunications Carrier Status*, Docket No. 15-CRCZ-296-ETC, State Corporation Commission of Kansas (February 10, 2015); Order of the Commission, *In re Verified Petition of Cricket Communications, Inc. for Relinquishment of its Designation as an Eligible Telecommunications Carrier*, Cause No. 41052 ETC 57, Indiana Utility Regulatory Commission (February 4, 2015); Order, *Cricket Communications, Inc. Petition to Relinquish its Designation as an Eligible Telecommunications Carrier Under 47 U.S.C §214(e)(2)*, Docket No. 14-0635, Illinois Commerce Commission (January 6, 2015); Order, and, *In Re Petition of Cincinnati Bell Wireless, LLC for Relinquishment of Eligible Telecommunications Carrier Designation*, Case No. 2014-00140 at 2 (May 16, 2014).



Respectfully submitted,

Southwestern Bell Telephone Company  
d/b/a AT&T Missouri

BY 

LEO J. BUB #34326

Attorney for Southwestern Bell Telephone  
Company d/b/a AT&T Missouri  
909 Chestnut Street, Room 3558  
St. Louis, Missouri 63101  
314-235-2508 (Telephone)  
314-247-0014 (Facsimile)  
[leo.bub@att.com](mailto:leo.bub@att.com)

**CERTIFICATE OF SERVICE**

Copies of this document and all attachments were served on the following by e-mail on October 28, 2016.



---

Leo J. Bub

General Counsel  
Kevin Thompson  
Missouri Public Service Commission  
P.O. Box 360  
Jefferson City, MO 65102  
[gencounsel@psc.mo.gov](mailto:gencounsel@psc.mo.gov)  
[kevin.thompson@psc.mo.gov](mailto:kevin.thompson@psc.mo.gov)

Office Of The Public Counsel  
P.O. Box 7800  
Jefferson City, MO 65102  
[opcservice@ded.mo.gov](mailto:opcservice@ded.mo.gov)

Cully Dale  
200 Madison Street, Suite 800  
P.O. Box 360  
Jefferson City, MO 65102  
[cully.dale@psc.mo.gov](mailto:cully.dale@psc.mo.gov)