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November 4, 2011

Mr. Steven C. Reed
Secretary of the Commission
Missouri Public Service Commission
Filed via EFIS

**RE: In the Matter of a Repository File in which to Gather Information and Assess the Availability of Broadband Services in the State of Missouri
Case No. TW-2010-0362**

Dear Mr. Reed:

In response to the Missouri Public Service Commission (“Commission”) Staff’s request for additional feedback in this docket, the Missouri Small Telephone Company Group (“STCG” – see Attachment A) offers the following comments.

The STCG companies are all small telephone companies¹ that serve in primarily remote and sparsely-populated rural areas of Missouri. The STCG companies are able to serve these high cost areas because of three main revenue streams: (1) end user rates; (2) intercarrier compensation; and (3) federal Universal Service Fund support. The STCG continue to be regulated by the Commission under traditional rate-of-return regulation.

Historically, the STCG companies have been at the forefront of bringing broadband service to rural Missouri. For example, the COMMISSIONERS' REPORT ON MISSOURI BROADBAND AVAILABILITY issued by Commissioners Robert M. Clayton III and Steve Gaw on September 18, 2007 found as follows:

A more in-depth analysis of out-state Missouri suggests that **small, rural telecommunications carriers have been more aggressive in offering broadband to customers throughout their service territories than their larger rivals**. For example, small, rural telecommunications carriers offer DSL broadband access to 80% of households. (Page 1, emphasis added.)

¹ Missouri law defines “small telephone company” as “a local exchange telecommunications company which serves no more than twenty-five thousand subscriber access lines....” §392.230.4 RSMo. MoSTCG companies serve from approximately 200 to 15,000 access lines.

In preparation for participation in recent Federal Communications Commission (FCC) proceedings, a group of small Missouri rural telephone companies, including many members of the STCG, recently canvassed its members regarding broadband deployment. The survey determined that broadband was available to the following percentages of this group's rural customers:

200 kbps up to 1.5 mbps	99%
200 kbps up to 3.0 mbps	89%
200 kbps up to 6.0 mbps	78%
200 kbps to > 6.0 mbps	53%

STCG member companies are working directly with the appropriate entities to update the Missouri broadband map and ensure that it accurately shows availability in STCG areas.

The greatest impediment for the STCG companies to deployment of broadband continues to be the cost, including middle mile costs for bandwidth. Comments filed with the FCC by this group earlier this year explained:

The MoSTCG companies have made investments in plant of approximately \$600,000,000 and, adjusting for accumulated depreciation, currently have approximately \$265,000,000 in net plant in service, including over 28,000 miles of cable. The 166 exchanges served by the MoSTCG companies cover over 12,530 square miles in the state of Missouri. The MoSTCG companies play an essential role in rural Missouri economies by employing approximately 630 people and serving nearly 91,000 access lines.

MoSTCG Comments, *In the Matter of the Connect America Fund et al.*, WC Docket No. 10-90, Filed May 23, 2011.

In the past, the STCG companies have been able to provide broadband service because of historic policy choices involving intercarrier compensation and the federal USF. However, the FCC has recently adopted a decision which may have significant and possibly adverse impacts on both intercarrier compensation and federal USF insofar as the STCG member companies are concerned, not only threatening the STCG companies' ability to deploy new broadband service but also threatening their ability to maintain existing facilities and service. Once the text of this FCC decision is released and we have had an opportunity to review its impacts, then the STCG companies may be able to offer more policy suggestions on how the Missouri Commission may assist in maximizing deployment and availability of broadband services.

Sincerely,

/s/ Trip England

W.R. England, III

WRE/da

ATTACHMENT A

BPS Telephone Company
Citizens Telephone Company of Higginsville, Missouri
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 Telephone Company
Kingdom Telephone Company
KLM Telephone Company
Lathrop Telephone Company
Le-Ru 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
Oregon Farmers Mutual Telephone Company
Ozark Telephone Company
Peace Valley Telephone Co., Inc.
Rock Port Telephone Company
Seneca Telephone Company
Steelville Telephone Exchange, Inc.
Stoutland Telephone Company