

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

In the Matter of the Petition of Callabyte)
Technology, LLC for Designation as an)
Eligible Telecommunications Carrier)
Pursuant to Section 214(e)(5) of the)
Communications Act of 1934, as Amended)

Case No. RA-2019-0086

RECOMMENDATION

COMES NOW the Staff of the Missouri Public Service Commission, by and through counsel, and for its *Recommendation* in this matter hereby states:

1. On September 27, 2018, Callabyte Technology, LLC, (Company or Callabyte) filed an *Application for Designation as an Eligible Telecommunications Carrier* with the Commission requesting that the Commission issue an order designating Callabyte as a high-cost and low-income eligible telecommunications carrier (ETC). The Company's request, if approved, would permit it to receive federal support pursuant to the Connect America Fund II (CAF II) auction held by the Federal Communications Commission (FCC) and for Lifeline.

2. The CAF II program is part of the FCC's reform and modernization of its universal service fund support programs designed to accelerate the expansion of broadband services to rural areas and any areas which presently lack the infrastructure capable to support at least 10/1 Mbps of fixed broadband services. The FCC held an auction to allocate funds to various companies which could further the goals of the CAF II program. The FCC requires each winning company to obtain ETC designation from its respective public utilities commission prior to receiving the allocated funds. Winners of the auction must certify within 180 days of the release of the Public Notice from the FCC

which closed the CAF II auction that they have obtained ETC designation. Public Notice was issued August 21, 2018, so Callabyte must certify that it has obtained ETC designation no later than February 25, 2019.

3. The Company was previously approved to provide interconnected voice over internet protocol (IVoIP) services in Case No. DA-2016-0073, but asked the Commission to revoke that authority in a notice filed May 25, 2017. In a supplemental filing to its original *Application* filed in this case, Callabyte stated that if the Commission approves its request for ETC status, it will be providing IVoIP services to its customers through a third-party IVoIP provider; Staff has learned that provider is Alianza, Inc, which is presently registered in Missouri to provide IVoIP services. The Company included an Exhibit A with its *Application* which outlines the specific census blocks for which it requests designation as a high-cost and low-income and Lifeline services provider.

4. Commission rule 4 CSR 240-31.130 governs the specific eligible telecommunications carrier requirements that each applicant must meet. Applications must also comply with 4 CSR 240-2.060 and shall be verified by oath as to the truthfulness contained in the application by an officer or director of the applicant.

5. Staff conducted an investigation and has provided a memorandum attached to this pleading as Appendix A. Staff's memorandum outlines the reasons why Staff believes Callabyte has met the requirements of 4 CSR 240-31.130 and should receive ETC designation.

WHEREFORE, Staff recommends that the Commission approve Callabyte Technology, LLC's, request for designation as an eligible telecommunications carrier for the purpose of receiving federal high-cost and low-income support; the designation be limited to the area identified by census blocks in United Service, Inc.'s initial application; and grant such other and further relief as the Commission considers just in the circumstances.

/s/ Whitney Payne

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served by electronic mail, or First Class United States Postal Mail, postage prepaid, on this 6th day of November, 2018, to all counsel of record.

/s/Whitney Payne

MEMORANDUM

To: Missouri Public Service Commission Official Case File
Case No. RA-2019-0086

From: Kari Salsman, Utility Policy Analyst I
John VanEschen, Utility Regulatory Manager
Telecommunications Department

Subject: Staff's Recommendation to Approve Callabyte Technology, LLC Request
for Designation as an Eligible Telecommunications Carrier in Missouri

Date: November 5, 2018

On September 27th, Callabyte Technology, LLC (Callabyte) filed an application for designation as an Eligible Telecommunications Carrier (ETC) for the purpose of receiving federal high cost and low-income support. The company later supplemented its application. The company was recently awarded Connect America Fund Phase II support in a reverse auction process.¹ The funding requires the company to extend broadband service to a designated number of locations in certain census blocks.² Callabyte will offer voice service through Alianza, Inc., a registered IVoIP provider in Missouri.³ The company needs to obtain ETC status by February 2019 in order to begin receiving this funding. Callabyte is not seeking Missouri USF support.

Federal authority enables state commissions to grant ETC status to a company.⁴ Missouri's ETC application requirements are contained in existing Missouri Commission rule 4 CSR 240-31.130(1). Staff reviewed the company's request for compliance with Missouri's rule as well as federal requirements.⁵ In Staff's opinion the company has adequately met all ETC application requirements. Consequently Staff supports the company's application for ETC status.

Staff recommends the Commission grant ETC status to Callabyte Technology, LLC for the purpose of receiving federal high-cost and low-income support. ETC designation should be limited to the area identified by census blocks in Exhibit A of the company's initial filing.⁶

¹ The company, along with other electric co-ops through their participation in the Rural Electric Cooperative Consortium, has been awarded \$46,569,407 over 10 years to extend broadband service to 14,876 locations. The broadband speed for these locations can vary but will generally be 10/1 Mbps or higher depending on the bid.

² Census block service areas are listed in Exhibit A of ETC application.

³ Case No. DA-2018-0130. Callabyte intends to seek IVoIP registration should this arrangement be discontinued.

⁴ 47 U.S.C. §214(e)(2) and FCC rule §54.201.

⁵ FCC Public Notice; WCB Reminds Connect America Fund Phase II Auction Applicants of the Process for Obtaining a Federal Designation as an Eligible Telecommunications Carrier; WC Docket Nos. 09-197, 10-90; DA 18-714; released July 10, 2018.

⁶ A state commission must designate the service area for ETC designation per 47 CFR 54.201(b). FCC rules give states some latitude in defining a service area per 47 CFR 54.207.