

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

In the Matter of the Petition of)
Mercury Wireless Kansas, LLC for)
Designation as an Eligible)
Telecommunications Carrier Pursuant) **Case No. RA-2019-0094**
To Section 214(e)(5) of)
The Communications Act of 1934,)
as Amended)

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 28, 2018, Mercury Wireless Kansas, LLC, (Company or Mercury) filed an *Application* with the Commission requesting designation as an Eligible Telecommunications Carrier (ETC), specifically that the Commission issue an order designating Mercury as a high-cost and low-income 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 Mercury must certify that it has obtained ETC designation no later than February 25, 2019.

3. The Company is presently certificated in the state of Missouri to provide VoIP services. The Company included an Exhibit B 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 Mercury has met the requirements of 4 CSR 240-31.130 and should receive ETC designation.

WHEREFORE, Staff recommends that the Commission approve Mercury Wireless Kansas, 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 Mercury Wireless Kansas, LLC's, initial application; and grant such other and further relief as the Commission considers just in the circumstances.

Respectively submitted,

/s/ Whitney Payne

Whitney Payne

Senior Counsel

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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 31st day of October, 2018, to all counsel of record.

/s/Whitney Payne

MEMORANDUM

To: Missouri Public Service Commission Official Case File
Case No. RA-2019-0094

From: Kari Salsman
John VanEschen
Telecommunications Department

Subject: Staff's Recommendation to Approve Mercury Wireless Kansas, LLC
Request for Designation as an Eligible Telecommunications Carrier in
Missouri.

Date: October 19, 2018

On September 28th, Mercury Wireless Kansas, LLC (Mercury) 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. Mercury is a registered IVoIP provider in Missouri.¹ The company was recently awarded Connect America Fund Phase II support in a reverse auction process.² The funding requires the company to extend broadband service to a designated number of locations in certain census blocks.³ The company needs to obtain ETC status by February 2019 in order to begin receiving this funding. Mercury 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 Mercury Wireless Kansas, 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 B of the company's initial filing.⁶

¹ Case No. DA-2019-0082

² The company has been awarded \$1,641,845.40 over 10 years to extend broadband service to 1,954 locations. The broadband speed for these locations can vary but will generally be 10/1 Mbps or higher depending on the bid.

³ Census block service areas are listed in Exhibit B of ETC application.

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.