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

In the Matter of Staff's Review of the	)	
Commission's Chapter 31 Rules	)	File No. TW-2017-0078

# REPLY COMMENTS OF THE STCG ON PROPOSED LIFELINE RULE REVISIONS AND STAFF'S QUESTION WHETHER THE MOUSF CAN SUPPORT BROADBAND-ONLY SERVICE

The Small Telephone Company Group ("STCG")<sup>1</sup> offers the following reply comments on the question of whether the Missouri Universal Service Fund ("MoUSF") can support Broadband-only service.

Staff requests reply comments to help "clarify which modifications will be beneficial to the entire industry and which will benefit only a portion." Under the Federal Communications Commission's (FCC) new rules, Eligible Telecommunications Carriers ("ETCs") will be required to provide a Lifeline Broadband-only service offering in the near future. At the same time, Lifeline support for voice service will begin to be phased out. Therefore, the STCG does not believe that any segment of the industry will be unfairly benefitted or harmed by rule changes that will allow MoUSF support for Broadband-only service to disabled and low-income Lifeline customers. Rather, the benefit will be to disabled and low-income customers.

The Missouri Cable Telecommunications Association (MCTA) and Verizon both filed comments opposing the use of MoUSF support for Broadband-only Lifeline service. Verizon's argument is circular. Essentially, Verizon argues that the Commission's <u>current</u> rule defines "essential local telecommunications service" as voice service. Verizon has no answer to the fact that the Commission has statutory authority to change its definition of "essential local telecommunications service" or the fact that the FCC has now defined Broadband as a "telecommunications" service.

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<sup>&</sup>lt;sup>1</sup> Members of the STCG are listed on Appendix A attached hereto.

As the STCG explained in its initial comments, the Missouri Commission has the statutory authority to revise its rules – in particular the definition of Essential Local Telecommunications Service – to cover Broadband-only service. In fact, it is directed to review and revise its rules on a periodic basis. Section 392.248.6(1) RSMo. directs the Commission to:

Determine the definition of essential local telecommunications service . . . and consider revision of the definition on a periodic basis . . . , with the goal that every citizen of the State shall have access to a wider range of services, that are reasonably comparable between urban and rural areas, at rates that are reasonably comparable between urban and rural areas. . . .

(Emphasis added.)

Moreover, the Missouri Legislature specifically directed the Commission to adopt rules governing the operations of the MoUSF and, in doing so, further provided that "[n]othing in the rules adopted by the Commission shall be inconsistent with the support mechanisms established for the federal Universal Service Fund." Section 392.248.1, RSMo. The FCC has now defined Broadband Internet Access Service (BIAS) as a "telecommunications" service subject to Lifeline support and established a timeline for phasing out voice-only Lifeline service. Therefore, it would be "inconsistent" with the FCC's new rules <u>not</u> to expand the MoUSF to include BIAS.

MCTA argues that because the Missouri PSC cannot regulate Broadband service, the Missouri PSC cannot allow MoUSF Lifeline support for BIAS customers. The STCG agrees that the Missouri PSC cannot regulate BIAS, but the STCG does not agree that the Missouri PSC is prohibited from including BIAS-only service in the MoUSF disabled and low-income programs. On the contrary, 47 USC §254(f) authorizes the Missouri PSC "to adopt regulations not inconsistent with the [FCC's] rules to preserve and advance universal service." As noted above, Section 392.248.6(1) RSMo. authorizes and directs the Commission to define and update

its definition of "essential local telecommunications service", and Missouri statutes also state that the Missouri PSC's rules should not be "inconsistent" with the FCC's rules.

#### **CONCLUSION**

The Commission has statutory authority to expand the MoUSF Disabled and Low-Income Lifeline programs to cover BIAS-only service by revising the definition of Essential Local Telecommunications Service. The STCG believes this expansion should be implemented for the benefit of Missouri's disabled and low-income customers as soon as possible.

### BRYDON, SWEARENGEN & ENGLAND P.C.

By:

/s/ Brian T. McCartney\_

William R. England, III

#23975 #47788

Brian T. McCartney 312 East Capitol Avenue

P.O. Box 456

Jefferson City, MO 65102-0456

Phone: (573) 635-7166 Fax: (573) 634-7431

E-mail: trip@brydonlaw.com

bmccartney@brydonlaw.com

ATTORNEYS FOR THE STCG

#### APPENDIX 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