

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

In the Matter of a Repository Case in Which to            )  
Gather Information About the Lifeline Program and        )  
Evaluate the Purposes and Goals of the                    )  
Missouri Universal Service Fund                            )     **File No. TW-2014-0012**

**STAFF REQUEST FOR COMMISSION ORDER**

**COMES NOW** the Staff of the Missouri Public Service Commission and for its Request states:

1.     On December 18, 2013, the Commission issued an Order in this matter in which it stated:

As that working case has proceeded, several interested stakeholders have suggested the Commission should consider implementing a state high-cost fund to provide financial support for extension of infrastructure to provide voice service to customers in high-cost areas. Those concerns have also been raised in comments filed regarding the Commission's revision of various rules affecting the Missouri Universal Service Fund.

The Commission agrees that implementation of a state high-cost fund should be considered. Rather than create a separate case for that purpose, the Commission will explicitly expand this existing case to consider implementing a state high-cost fund. [footnote omitted]

2.     Also on December 18, the Commission issued a Final Order of Rulemaking in which it withdrew the proposed rescission of 4 CSR 240-31.040 Eligibility for Funding- High Cost Areas, stating, in part:

**COMMENT:** Staff explains that this rule establishes specific procedures for determining eligibility for an ETC to receive high-cost funding from the Missouri Universal Service Fund (MoUSF).

The MoUSF has never provided high-cost funding and has no plans to do so in the immediate future. Staff also indicates the requirement of this rule are badly outdated and would have to be entirely rewritten if the MoUSF were to decide to provide high-cost funding in the future. Therefore, staff advises the commission to rescind this rule.

CenturyTel and STCG ask the Commission to leave open the possibility of providing high-cost funding in the future. STCG acknowledges that these particular rules are out of date and suggests the Commission keep references to high-cost funding in 4 CSR 240-31 .010, while rescinding this particular rule that is no longer useful. CenturyTel agrees that the particular rule will need to be revised, but suggests that the existing rule remain in place while that review is undertaken[.]

**RESPONSE AND EXPLANATION OF CHANGE:** The commission agrees with Century Tel. The commission will open a working case to consider whether high-cost funding from the MoUSF should be established. This rule should remain in place while that working case proceeds. For that reason, the commission will withdraw its proposed rescission of this rule.

3. Section 392.248.3 RSMo 2000 provides, in part:

The universal service fund shall be funded through assessments ... telecommunications companies ... based on Missouri jurisdictional ... revenue [...]. Such assessments shall be paid to the universal service board. The commission shall establish the level of the universal service fund funding requirement necessary to fund the purposes set forth in subsection 2 of this section

In other words, the money that will make up any high-cost fund will come, at least in part, from increased rates to retail customers. Since this statute was written, most Missouri telecommunications companies access rates have been capped by the FCC, and retail rates are no longer subject to Commission review and restraint. In the Staff's opinion, it is likely that a substantial portion of any assessments will be recovered from retail customers.

Section 392.461RSMo Supp. 2013 provides:

Notwithstanding other provisions of this chapter or chapter 386, a telecommunications company may, upon written notice to the commission, elect to be exempt from any requirement to file or maintain with the commission any tariff or schedule of rates, rentals, charges, privileges, facilities, rules, regulations, or forms of contract, whether in whole or in part, for telecommunications services offered or provided to residential or business retail end user customers and instead shall publish generally available retail prices for those services available to the public by posting such prices on a publicly accessible website. A telecommunications company may include in a tariff filed with the commission any, all, or none of the rates, terms, or conditions for any, all, or none of its retail telecommunications services.

This provision allows a telecommunications company to determine the structure of its tariff, or whether to include rates in the tariff or on its website.

4. The Staff requests that the Commission issue an Order requesting those participants in this matter to file a response in this docket to the questions set forth in Attachment A on or before February 14, 2014. The Staff asks that any interested person file comments in this matter without being required to copy their comments to other listed participants in this matter. For the reasons set forth above, the Staff requests that the Commission issue a press release in which it describes the creation of a high-cost fund and its potential effect on telecommunications customers and ask those customers for their feedback on those of the attached questions they wish to answer, or any other relevant information they would like to provide. Finally, the Staff requests that the Commission electronically disseminate the Order as widely as possible to all the entities on its weekly email distribution list.

**WHEREFORE**, the Staff submits its Request for Commission Order.

Respectfully submitted,



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**CERTIFICATE OF SERVICE**

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record this 10<sup>th</sup> day of January, 2014.



**Feedback Sought for Possible Implementation of a Missouri USF High-Cost Program  
Case No. TW-2014-0012**

Feedback should be electronically filed into the Missouri Commission's Electronic Filing and Information System (EFIS) within Case No. TW-2014-0012

Feedback Deadline: February 14, 2014.

1. **Does Missouri need a state high-cost fund?** If yes, please try to address the following questions in your response:
  - a. Why is the federal high-cost program insufficient?
  - b. How much state funding is needed?
  - c. What consequences, if any, are anticipated if the Missouri Commission fails to establish a high-cost fund?
2. **What issues need to be addressed by the Missouri Commission in order to establish a high-cost fund?**
3. **What service(s) should be supported?**
4. **What type(s) of providers should be able to receive high-cost support?** (*Should funding be limited to landline providers? Does a provider need to somehow own facilities? If so what type of facilities? Should wireless or broadband providers be able to draw support?*)
5. **How should high-cost fund disbursements be determined?** (*For example, how will it be determined if an area or provider needs high-cost support and if so, how much?*)
6. **What state(s), if any, have a state high-cost fund that Missouri should strive to mirror?** Explain why.
7. **Should an attempt be made to limit the size of the fund?** (*For instance should the fund's total annual disbursement amount be capped? Should the fund have a sunset provision or phase-out provision?*)
8. **What accountability requirements, if any, should be established to ensure a company is appropriately using state high-cost support?**
9. **Is there a need to revise how the Missouri USF is funded to accommodate a high cost fund?**
10. **What revisions, if any, are needed to Missouri statutes if the Missouri Commission intends to implement a high-cost fund?**