



Commissioners

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December 21, 2011

The Honorable Brad Lager
Missouri Senate
Capitol Bldg., Room 422
Jefferson City, MO 65101

Dear Senator Lager:

On May 13, 2010, the members of the Missouri State Senate Committee on Commerce, Consumer Protection, Energy and the Environment (Committee) sent a letter to Commissioners requesting the Missouri Public Service Commission (Commission) engage in a fact finding process related to broadband services throughout Missouri. The Commission and its Staff have monitored the Federal Communications Commission (FCC) actions related to its National Broadband Plan and efforts to reform the Universal Service Fund and intercarrier compensation, worked with MoBroadbandNow, reviewed mapping data and consumer survey responses and conducted other research as appropriate for this request.

Attached you will find the Commission's report addressing the five questions posed by the Committee. The report discusses the following observations: current mapping efforts suggest 1% of Missourians lack access to broadband service while the FCC's analysis suggests 13.5%; recent FCC analysis suggests Missouri may lag in broadband availability, especially in rural areas; various stakeholders indicate broadband deployment barriers need to be addressed (i.e., prohibitive cost of providing broadband service to rural areas, excessive rights of way fees, taxes, pole attachments); broadband adoption/demand should be addressed by making broadband service more affordable, especially for low-income consumers; and, the FCC's recent decision to reform the federal universal service fund and intercarrier compensation has significant implications that may impact broadband availability.

Based on information received in response to our queries, wireline broadband service rates range from \$14.95 to \$199.95 per month depending on broadband speed. Wireless broadband rates range from \$10 to \$80 per month depending on the data allowance offered by the plan.

The FCC is leading the effort to expand broadband availability and has initiated proceedings designed to address broadband-related issues and expand broadband availability. The report suggests the FCC be given more time to complete its efforts before states attempt to initiate any additional action. The report also identifies various steps the State could consider in developing responsible public policy that facilitates accessible and reliable broadband services throughout Missouri.

Should you have any questions, or need additional information, please do not hesitate to contact me.

Sincerely,

A handwritten signature in dark ink, appearing to read 'K. D. Gunn', with a long horizontal flourish extending to the right.

Kevin D. Gunn
Chairman