



2005 W Broadway · Columbia, MO 65203

Phone 573-777-4200 · fax 573-777-4201 · www.bluebirdnetwork.com

April 30, 2019

Morris L. Woodruff
Secretary
Missouri Public Service Commission
200 Madison Street, PO Box 360
Jefferson City, MO 65102-0360

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Missouri Public
Service Commission

Dear Secretary Woodruff,

Missouri Network Alliance, LLC dba Bluebird Network ("Bluebird") hereby submits for the Commission's approval additional interstate rural rates for purposes of providing service to healthcare providers ("HCPs") through the Rural Health Care Telecommunications Program.

Bluebird is currently working with HCPs seeking telecommunications services for 2017 through the Telecommunications Program. To establish its rural rates for 2017, Bluebird has followed the requirements of 47 C.F.R. §54.607 and the USAC guidance. Bluebird does not provide service to commercial customers with similar services in the same region as these HCPs, so it cannot calculate rural rates based on the average rate charged to commercial customers pursuant to 47 C.F.R. §54.706(a) (USAC's Method 1). In some cases, Bluebird may be able to establish a rural rate by calculating the average of tariffed or other publicly available rates for similar services in the same rural area pursuant to 47 C.F.R. §54.706(b) (USAC's Method 2). In cases where due diligence has not revealed any tariffed or other publicly available rates for "the same or similar services in that rural area over the same distance as the eligible service," or where Bluebird has reasonably determined that Method 2 results in a rate that is "unfair," Bluebird must submit its rates for interstate services to the Commission for approval pursuant to 47 C.F.R. §54.607(b) (USAC Method 3).

Attached please find Bluebird's interstate rates for the Telecommunications Program for Funding Year 2017 (shown in attachment 1 as the Bluebird 2017 Interstate Rate Sheet) for areas served using USAC Method 3. Also attached, as required by 47 C.F.R. §54.706(b)(1), is the justification for Bluebird's rural rates including cost itemizations (shown in Attachment 2 as the Bluebird 2017 Interstate Rate Cost Justification).

These rates are all for services that are interstate interexchange and/or CLEC business data services and which were subject to competitive bidding. As such, these are all services that the Commission has mandatorily or permissively detariffed because of the presence of a competitive market. See 47 C.F.R. §61.19; *Hyperion Telecommunications Inc, Petition Requesting Forbearance*, Memorandum Opinion and Order and Notice of Proposed Rulemaking, 12 FCC Rcd 8596 (1997) ("[W]e have previously determined that [CLECs] are nondominant, and that nondominant carriers, 'by definition,' cannot exercise market power.") See also 47 C.F.R. §61.201 (detariffing ILEC business data

services). Moreover, even if a tariff were filed (which is no longer permitted for interexchange services, including interexchange private lines), these are rates charged by a nondominant carrier and thus would be considered *prima facie* lawful and permitted to take effect on one day's notice. See 47 C.F.R. §1.773(a)(ii). As such, although the margins for individual contract prices vary, as would be expected under competitive bidding in which bids are submitted in advance based on estimated costs, that variance does not create a basis for determining these rates to be unreasonable or not cost-based. Indeed, forcibly setting a different rate distorts the market and harms consumers. See *Nat'l Ass'n of Telecommunications Officers & Advisors v. Fed. Commc'ns Comm'n*, 862 F.3d 18, 25 (D.C. Cir. 2017) ("Rate regulation of a firm in a competitive market harms consumers.")

The Bluebird 2017 Interstate Rate Cost Justification (Attachment 2) contains forward-looking estimates of Bluebird's costs during the 2017 Funding Year, and thus contains business -sensitive confidential information. Pursuant to Sections 0.457 and 0.459 of the Commission's rules, 47 C.F.R. §§0.457, 0.459, Bluebird hereby requests confidential treatment of Attachment 2, which should be withheld from public inspection.

In support of this request, Bluebird hereby states as follows:

1. Identification of Specific Information for Which Confidential Treatment Is Sought (Section 0.459(b)(1))

Bluebird seeks confidential treatment with respect to the Bluebird 2017 Interstate Rate Cost Justification (the "Confidential Information"). Bluebird does not seek confidential treatment with respect to the information contained in the Bluebird 2017 Interstate Rate Sheet.

2. Description of Circumstances Giving Rise to the Submission (Section 0.459(b)(2))

Bluebird is disclosing the Confidential Information pursuant to 47 C.F.R. §54.607(b)(1). Bluebird needs to establish some of its rural rates under the Telecommunications Program by submitting those rates to the Commission. As required by the rules, the submission must include "a justification of the proposed rural rate, including an itemization of the costs of providing the requested service."

Sincerely,

Bluebird Network
2005 W. Broadway
Building A, Suite 215
Columbia, MO 65203