

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

In the Matter of Proposed)
Modifications to the Missouri)
Universal Service Fund)
Case No. TO-2019-0346

STAFF’S MOTION FOR CLARIFICATION REGARDING MO USF SUPPORT

COMES NOW the Staff of the Missouri Public Service Commission, by and through counsel, and for its *Notice of Emergency Broadband Benefit Program* in this matter hereby states:

The Emergency Broadband Benefit Program (EBBP) is a provision included in the Consolidated Appropriations Act (Act), which was signed into law on December 27, 2020. Like the Lifeline Program, EBBP is designed to offer discounted broadband service to qualifying low-income consumers, albeit on a temporary basis. Presently, the Missouri Universal Service Fund (MoUSF) support amounts listed on the MoUSF website only account for state and federal Lifeline support, which is anticipated to total a maximum benefit equal to a subscriber’s monthly charge of \$24. That total benefit did not take into consideration additional benefits such as the EBBP. Staff recommends that to account for the potential additional benefits considered by the EBBP, the Commission should issue an order including the following clarification:

Missouri USF support is available to qualifying subscribers for voice service or a voice service bundled with broadband service. Missouri USF support for the Lifeline program shall be \$24.00 minus applicable federal Lifeline support. Missouri USF support for the Disabled program shall be \$24.00. Missouri USF support should be further adjusted to ensure any and all monthly benefits provided to a subscriber do not exceed the subscriber’s monthly charges, including a subscriber line charge, for voice service or for voice service bundled with broadband service.

The Universal Service Fund Board authorized Staff to seek such clarification in the Commission's order at a meeting of the Board on February 3, 2021.

WHEREFORE, Staff prays that the Commission will accept its *Notice*; issue an order including the following clarifying language:

Missouri USF support is available to qualifying subscribers for voice service or a voice service bundled with broadband service. Missouri USF support for the Lifeline program shall be \$24.00 minus applicable federal Lifeline support. Missouri USF support for the Disabled program shall be \$24.00. Missouri USF support should be further adjusted to ensure any and all monthly benefits provided to a subscriber do not exceed the subscriber's monthly charges, including a subscriber line charge, for voice service or for voice service bundled with broadband service;

and grant such other and further relief as the Commission considers just in the circumstances.

/s/ Whitney Payne

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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 11th day of February 2021, to all counsel of record.

/s/ Whitney Payne

MEMORANDUM

To: Case No. TO-2019-0346 - Case File

From: John Van Eschen, Regulatory Compliance Manager
Telecommunications Department

Date: February, 2021

Subject: Emergency Broadband Benefit Program

The Missouri Universal Service Board authorized Board Staff to file with the Commission seeking clarification of Missouri USF support.¹ The clarification being sought pertains to whether Missouri USF support can be available for a bundled service if the service also receives support from the Emergency Broadband Benefit Program (EBBP). Staff recommends specific wording for a Commission order clarifying Missouri USF support can be available if EBBP is received as long as total support does not exceed the monthly rate for the bundled service. In explaining why this clarification is needed this memo will first briefly explain the EBBP program and how this new program has potential implications for the Missouri USF.

Emergency Broadband Benefit Program

EBBP was created from the Consolidated Appropriations Act signed into law on December 27, 2020 providing Coronavirus relief.² The details of EBBP are currently being worked out by the FCC but EBBP will have a similar mission as the Lifeline program by offering discounted broadband service to qualifying low-income consumers.³ EBBP is a temporary program intended to conclude at the end of the emergency period or when funds run out, whichever happens sooner. The program has its own fund labeled the “Emergency Broadband Connectivity Fund” and the Act allocates \$3.2 billion for the fund. EBBP will provide up to \$50 per month for broadband service to a qualifying low-income consumer. In addition, EBBP offers up to \$100 in a single reimbursement for a broadband device such as a computer or tablet.⁴

The Act’s provisions place expectations for the program to be quickly implemented with a streamlined administrative process. Company participation in the EBBP program is optional whereby a company must elect to participate and be currently classified as an eligible

¹ February 3, 2021 Missouri USF Board meeting.

² Consolidated Appropriations Act, 2021, H.R. 133, 116th Cong. (“The Act”)

³ FCC Public Notice; Wireline Competition Bureau Seeks Comment on Emergency Broadband Connectivity Fund Assistance; [DA-21-6](#); WC Docket No. 20-455; January 4, 2021.

⁴ The Act requires a household to contribute at least \$10 for the device.

telecommunications carrier or receive FCC approval in a yet-to-be-determined process.⁵ How consumers enroll and how eligibility is verified is still being formulated but EBBP's enrollment process is anticipated to be simpler than the enrollment process used for the Lifeline program.

EBBP's consumer qualification criteria is much broader than the Lifeline program. A household can qualify for EBBP using any of the current Lifeline program qualifying criteria or any of the following criteria:

- Receives free or reduced lunch benefits under the Richard B. Russell National School Lunch Act;
- Participates in Section 4 of Child Nutrition Act of 1996 (school breakfast program);
- Experienced a substantial loss of income since February 29, 2020;
- Receives a federal Pell grant; or
- Meets the eligibility criteria of a participating company's existing low-income or COVID-19 program.

EBBP will technically be a separate program from the Lifeline program. This arrangement means a household can receive benefits from both programs and from two different companies. For example one household could get Lifeline voice benefits from one company and EBBP broadband benefits from another company. Alternatively a company can combine Lifeline and EBBP benefits for broadband service as long as the benefit total does not exceed the monthly rate for service.

EBBP implications for the Missouri USF

Although the Missouri USF is limited to supporting voice service Missouri USF support can apply to a consumer subscribing to a bundled voice and broadband service package.⁶ Missouri USF support is described in Missouri Commission rule 20 CSR 4240-31.014(7) which states:

(7) The Missouri USF support amount for the Lifeline and Disabled Programs is identified on the Missouri USF website. Missouri USF Lifeline support, when combined with federal USF Lifeline support, shall not exceed the sum of an ETC's rate for essential telecommunications service and subscriber line charge.

⁵ One limitation will be the company will need to have been offering broadband service as of December 1, 2020. The FCC is considering automatically approving any company offering some form of discounted broadband service to low-income consumers as of April 1, 2020.

⁶ The December 2020 Missouri USF report indicates 650 out of 3,593 Lifeline subscribers have bundled voice and broadband service. The Disabled program has 307 total subscribers but the number with bundled service is not known because Missouri USF support is the same for all Disabled program subscribers.

The Missouri USF website referenced in this rule contains the following, more specific, information:⁷

Current Support Reimbursement Rate:

\$18.75 Lifeline Subscriber with voice-only service or voice service bundled with non-qualifying broadband service

\$14.75 Lifeline Subscriber with voice service bundled with qualifying broadband service

\$24.00 Disabled Subscriber Support

Missouri USF support is not offered for a broadband-only service but qualifying broadband service refers to a broadband speed of at least 25 Mbps (down)/ 3 Mbps (up) or meets the exception identified in FCC rule 54.408(d). The total amount of MoUSF support and federal support shall not exceed the total of the company's local service rate plus subscriber line charge.

The Missouri USF dollar amounts reflected on the Missouri USF website are based on the expectation that total state and federal Lifeline support will be \$24. Additional support, such as EBBP, was never contemplated for the mathematical equation determining Missouri USF support amounts. In this regard, the availability of Missouri USF support is unclear for a bundled service subscriber within the Lifeline or Disabled programs who also receives the EBBP benefit, if monthly charges for the bundled service are not fully recovered.⁸

Proposed clarification for Missouri USF support

Staff recommends the Commission issue an order as soon as practical providing the following clarification:⁹

Missouri USF support is available to qualifying subscribers for voice service or a voice service bundled with broadband service. Missouri USF support for the Lifeline program shall be \$24.00 minus applicable federal Lifeline support. Missouri USF support for the Disabled program shall be \$24.00. Missouri USF support should be further adjusted to ensure any and all monthly benefits provided to a subscriber do not exceed the subscriber's monthly charges, including a subscriber line charge, for voice service or for voice service bundled with broadband service.

⁷ <https://www.missouriusf.com/>

⁸ For example should Missouri USF support be available if the company's monthly charges for a bundled service range exceed \$50 for a Disabled program subscriber and exceed \$59.25 for a Lifeline program subscriber? In such instances the full Missouri USF support amount could apply if a company's bundled service rates are \$74 or more.

⁹ A Commission order providing such clarification will be most beneficial to consumers if issued prior to EBBP implementation; however the order could be issued at any time. As previously indicated the FCC is currently attempting to implement EBBP as soon as possible but the actual timing of EBBP implementation remains unclear.

In Staff's opinion, this proposed text addresses the lack of clarity regarding Missouri USF support for a bundled service and is consistent with existing Missouri Commission rule 20 CSR 4240-31.014(7). The proposed text also ensures total state and federal support provided to a subscriber does not exceed the subscriber's monthly charges for the service. Existing Missouri USF support amount levels are maintained; however, this text accommodates a future increase in Missouri USF Lifeline voice-only support should the FCC eliminate corresponding federal support as planned on December 1, 2021.