

**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

AT&T's REPLY

AT&T¹ concurs with MITG and STCG² that the FCC has not acted on CTIA and the consumer groups' joint petition to pause the phase out of voice support³ scheduled to begin December 1, 2019, which will likely result in Missouri's Lifeline voice-only customers paying \$2.00 more for Lifeline service next month.

AT&T, however, respectfully disagrees⁴ with the recommendation to precipitously increase the monthly state support level from the current \$6.50 per subscriber to \$14.75 per Lifeline subscriber, and to \$24.00 per Disabled program subscriber. Such increases will, as Staff previously pointed out, "place Missouri's support among the highest of all states,"⁵ and on average result in free or nearly free service.⁶ The Commission should look with caution on proposed over-sized support increases that could later necessitate higher USF assessments on

¹ Southwestern Bell Telephone Company, d/b/a AT&T Missouri, and its affiliates will be referred to herein as "AT&T." Although AT&T Missouri no longer offers service under the state Lifeline and Disabled service programs (See MoPSC Case No. IO-2017-0132), it and its other affiliates continue to pay the Missouri USF assessment.

² The Missouri Small Telephone Company Group and the Missouri Independent Telephone Company Group will be referred to as the "MITG" and the "STCG."

³ Joint Petition to Pause Implementation of December 2019 Lifeline Minimum Service Standards Pending Forthcoming Marketplace Study, *In the Matter of Lifeline and Link Up Reform and Modernization*, et al., WC Docket No. 11-42 et al., filed June 27, 2019. AT&T, as a CTIA member, supported the petition.

⁴ AT&T makes this filing pursuant to the Commission rule 20 CSR 4240-2.080(13), which allows parties ten days from the date of filing to respond to any pleading unless otherwise ordered by the Commission.

⁵ Staff's April 24, 2019, Memorandum to the Mo. USF Board, appended to Staff's Motion to Open Docket and Recommendations in Case No. TO-2019-0346 ("Staff Memorandum"), filed May 10, 2019, at p. 8.

⁶ *Id.*, p. 6. In addition, making the supported services effectively free or nearly free could increase the risk of fraud and abuse of the state Lifeline and Disabled programs, which the Commission identified as potential problems with respect to the free wireless Lifeline services available under the federal USF program. See MoPSC's January 23, 2018, comments to the FCC in WC Docket No. 17-287, *In the Matter of Bridging the Digital Divide for Low-Income Consumers*.

landline telephone service and cuts to the support Lifeline subscribers would have become accustomed to receiving.

Instead, AT&T continues to propose a more measured approach for addressing the growing Missouri Universal Service Fund (“USF”) surplus. AT&T concurs with MCTA’s endorsement of the Staff suggestion to suspend the Missouri USF assessment as of January 1, 2020.⁷ And if the Commission determines the coming decrease in federal support necessitates increasing the monthly state support of Lifeline program subscribers, AT&T suggests the Commission consider (1) limiting the increase to an amount necessary to offset the lost federal support, and (2) evaluating the impact of these two changes on the fund’s balance after 12 months. Taking such an incremental approach should help the Commission better calibrate support to meet existing need while keeping the fund sustainable.

Respectfully submitted,

Southwestern Bell Telephone Company
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By:  _____

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⁷ Missouri Cable Telecommunications Association (“MCTA”) Comments filed in Case No. TO-2019-0346 on November 7, 2019, at p.

CERTIFICATE OF SERVICE

I certify this document was filed in EFIS, with system notification sent to all parties of record. I further certify that a true and correct copy of this document has been sent by e-mail to the Commission Staff and the Office of the Public Counsel on November 12, 2019.



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