

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

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

**COMMENTS OF MISSOURI
CABLE TELECOMMUNICATIONS ASSOCIATION**

Pursuant to the May 15, 2019 “Order Opening a Case to Consider the Universal Service Fund Assessment,” the Missouri Cable Telecommunications Association (“MCTA”) respectfully submits these comments.

1. MCTA is the statewide organization representing the cable telecommunications industry within the State of Missouri.

2. The “Staff’s Motion to Open Docket and Recommendations,” (“Staff’s Motion”) filed May 10, 2019, recommends increasing Universal Service Fund (“USF”) support amounts to \$14.75 per Lifeline program subscriber and \$24.00 per Disabled program subscriber. As noted in the Memorandum attached to the Staff’s Motion, current USF support amounts are \$6.50 for both programs. The size of these proposed increases is unprecedented and unsupported. For example, the last time support amounts increased was in 2014, when the increase was from \$3.50 to \$6.50 for each program. See PSC Case No. TO-2014-0333, *Order Decreasing Assessment Rate and Increasing Monthly Support Rate*, issued July 30, 2014. The proposed increase more than doubles the support amount for the Lifeline program and almost quadruples the amount for the Disabled support program. MCTA believes that increases this large are not warranted and could potentially generate improper incentives for the program, ultimately making it more difficult to curtail or suspend that support if necessary. MCTA respectfully suggests that a more careful analysis be given to the magnitude of any increases that the Commission might order.

3. MCTA also respectfully suggests that alternatives to raising the levels of support be considered. Among these are leaving support at or near current levels to ensure that such support continues either in perpetuity or for a longer without need for additional contribution. Another option could be to offer refunds to those companies that have contributed to the fund given the existing large surplus currently in the fund. Dramatically raising the support levels for the Disabled and Lifeline programs is not the only way to resolve the problem of decreasing demand for the support and an over-funded Missouri USF. MCTA submits that the Commission should entertain alternatives before embarking on the course recommended by Staff.

4. The Staff's Motion also recommends that assessments funding the USF be suspended as of January 1, 2020. MCTA supports this recommendation.

5. MCTA appreciates the opportunity to comment on the Staff's Motion.

Dated: June 4, 2019

Respectfully submitted,

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