

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office in
Jefferson City on the 30th day of
July, 2014.

In the Matter of the Amount Assessed on Companies)
to Fund the Missouri Universal Service Fund) **File No. TO-2014-0333**

**ORDER DECREASING ASSESSMENT RATE
AND INCREASING MONTHLY SUPPORT RATE**

Issue Date: July 30, 2014

Effective Date: August 29, 2014

On May 6, 2014, the Staff of the Commission (“Staff”), acting at the request of the Missouri Universal Service Board, filed a motion asking the Commission to consider altering the Missouri Universal Service Fund (“USF”) assessment rate.¹ Staff recommends the Commission reduce the USF assessment rate from .0017 to .0010. Staff further asks the Commission to increase Missouri USF monthly support to companies from \$3.50 to \$6.50 to keep pace with basic local service rate increases.

The Commission directed that notice of Staff’s motion be sent to all telecommunications carriers and IVoIP providers doing business in Missouri. The Commission also ordered that any comments should be filed no later than June 13. The Commission received comments from TW Telecom of Kansas City and Socket Telecom (“TW Telecom”), the Office of the Public Counsel (“OPC”), and the Missouri Small Telephone Company Group (“STCG”).

¹ Calendar references are to 2014 unless otherwise noted.

TW Telecom supports reducing the assessment rate to .0003 or less. It says the reduction would help reduce the burden imposed on the consumer who receives the pass-through effect of the fee.

STCG supports increasing the monthly support amount. STCG comments that rates for basic local service have increased due to federal USF reforms, and that the support amount should be increased from \$3.50 to \$6.50 monthly to help ease the impact of local service rate increases.

OPC supports reducing the assessment to .0010, and increasing the support amount to \$6.50. OPC further requests more outreach may be needed to ensure all those who are eligible for Lifeline or Disabled programs apply for such programs.

On July 8, Staff filed its Recommendation. After reviewing the comments, Staff continues to recommend that the Commission reduce the assessment rate to .0010, and increase the monthly USF support amount to \$6.50.

Staff states that the new Missouri assessment level should become effective on October 1 to help accommodate the USF Administrator's system design to correctly calculate remittances due. Also, Staff asks the Commission to waive the support amounts identified in Commission Rules 4 CSR 240-31.120(1)(B)(2) and 4 CSR 240-31.120(1)(C)(1).

Commission Rule 4 CSR 240-2.080(15) allows parties ten days to respond to pleadings unless otherwise ordered. The Commission issued no order to the contrary, ten days have elapsed since Staff's Recommendation, and no party has responded to the Recommendation.

Section 392.248.1, RSMo 2000 creates the Missouri Universal Service Board and charges it with the duty to "ensure just, reasonable, and affordable rates for reasonably

comparable essential local telecommunications services throughout the state.” That statute also creates a state Universal Service Fund that is funded through an assessment on all telecommunications companies in the state. The Commission is required to establish the level of funding needed to accomplish the purposes of the Universal Service Fund.²

The Commission finds that the Universal Service Board’s recommendation is reasonable. Furthermore, no person or entity has expressed any opposition to that recommendation. The Commission will reduce the assessment rate as recommended by the Universal Service Board.

THE COMMISSION ORDERS THAT:

1. The assessment rate for the Missouri Universal Service Fund is reduced from .0017 to .0010, effective October 1, 2014.
2. The monthly Missouri USF support rate is increased from \$3.50 to \$6.50, effective October 1, 2014.
3. The Commission’s Data Center shall send a copy of this order to all interexchange carriers, competitive local exchange carriers, incumbent local exchange carriers and IVoIP providers doing business in Missouri.

² Section 392.248.3, RSMo 2000.

4. This order shall become effective on August 29, 2014.

BY THE COMMISSION



A handwritten signature in black ink that reads "Morris L. Woodruff".

Morris L. Woodruff
Secretary

R. Kenney, Chm., Stoll, W. Kenney,
Hall, and Rupp, CC., concur.

Pridgin, Deputy Chief Regulatory Law Judge