

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

**Response of the Missouri Small Telephone Company Group and
the Missouri Independent Telephone Company Group**

The Missouri Small Telephone Company Group (STCG) and Missouri Independent Telephone Company Group (MITG), offer the following comments on the Missouri Public Service Commission Staff’s filing of assessment and support scenarios for the future of the Missouri Universal Service Fund (MoUSF).

The STCG and MITG appreciate Staff’s preparation of additional scenarios on possible changes to the assessment and impacts of increased MoUSF support. After review of Staff’s scenarios, the STCG and MITG believe that it would be premature to reduce or suspend the assessment. For example, Staff’s projection in Attachment D reveals that suspending the assessment on January 1, 2020 would produce a negative fund balance in March of 2023 – barely three years after the suspension. An assessment increase would therefore be necessary in 2-3 years in order to keep the MoUSF solvent and able to meet statutory obligations. Similarly, Staff’s projection in Attachment C for a 0.0005 assessment only adds about two more years until the MoUSF balance becomes negative and would likely require an assessment increase after 3-4 years. It would be confusing to customers and administratively inefficient for the Commission and the companies’ billing systems and/or outside providers to have to re-institute the assessment after 2-4 years.

If the Commission determines that some decrease in the MoUSF is appropriate, then the Attachment B scenario (0.00075 assessment) is the only reduction that would maintain a MoUSF capable of fulfilling the statutory mandate to assist Low-Income and Disabled subscribers for more than a few years.

After review of Staff's projections, the STCG and MITG recommend that the Commission make no change to the assessment at this time. A cautious approach will allow the Commission and the MoUSF Board to gauge future participation in the MoUSF by qualified participants. For example, Staff's MoUSF Fund Balance Projections assume no change in MoUSF Lifeline and Disabled participants, but it is possible that participation will increase in response to the proposed increase in support levels.¹ Maintaining the current assessment (Attachment A scenario) will also maintain a sufficient MoUSF balance in the event that the Missouri Legislature updates the MoUSF's statutory framework to expressly allow MoUSF support for Broadband service.

Respectfully submitted,

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¹ The large decrease in MoUSF subscribers resulting from AT&T's decision to cease offering MoUSF Lifeline and Disabled discounts to AT&T customers has already occurred, so participation levels may stabilize or increase going forward.

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the above and foregoing document was delivered by first class mail, electronic mail or hand delivery, on this 15th day of July, 2019, to the following parties:

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