

**BEFORE THE MISSOURI
PUBLIC SERVICE COMMISSION**

In the Matter of)
)
Application of Ralls Technologies, LLC)
for Designation as an Eligible)
Telecommunications) Case No: _____
Carrier to Receive Rural Digital Opportunity)
Fund Phase I Auction (Auction 904) Support)
for Voice and Broadband Services)

**APPLICATION OF RALLS TECHNOLOGIES, LLC FOR LIMITED DESIGNATION
AS AN ELIGIBLE TELECOMMUNICATIONS CARRIER TO RECEIVE RURAL
DIGITAL OPPORTUNITY FUND I AUCTION (AUCTION 904) SUPPORT FOR VOICE
AND BROADBAND SERVICES AND
REQUEST FOR EXPEDITED CONSIDERATION**

Ralls Technologies, LLC (“Ralls” or the “Company”) respectfully applies for designation as an Eligible Telecommunications Carrier (“ETC”) to the Missouri Public Service Commission (“Commission”) under section 214(e)(2) of the Communications Act of 1934, as amended (the “Act”),¹ Sections 54.101 through 54.207² of the rules and regulations of the Federal Communications Commission (“FCC”), and under the rules and regulations of the Commission, including 20 CSR 4240-31.016 and 20 CSR 4240-2.060.

Ralls was selected as a winning bidder in Missouri under the FCC's Rural Digital Opportunity Fund (“RDOF”) phase I auction (Auction 904). Ralls’ receipt of RDOF I Auction funding is conditioned upon obtaining designation as an ETC in the eligible Census Blocks by June 7, 2021.³ Accordingly, Ralls seeks designation only in the 10 Census Block Groups (CBG) for which it was awarded funding from the RDOF I Auction, as identified in **Exhibit A**.

¹ 47 U.S.C. § 214(e)(2).

² 47 C.F.R §§ 54.101 through 54.207.

³ *FCC Form 683: Application for Rural Digital Opportunity Fund Phase I Support Auction 904* § 6.1 (“FCC Form 683”)

As demonstrated in this Application, Ralls meets all state and federal requirements for ETC designation, and, as shown by the description herein of Ralls' planned voice and broadband deployment projects, designating Ralls as an ETC in the proposed areas would advance the goals of universal service and is in the public interest.

The FCC did not require that RDOF I Auction participants be designated ETCs at the time they filed their applications. However, winning bidders must, within 180 days of being announced as winning bidders, obtain ETC designation in any areas for which they are awarded support and submit appropriate documentation of such ETC status to the FCC.⁴ While the FCC is willing to provide waivers of this time frame if an applicant cannot obtain the necessary ETC designation within 180 days, the applicant must be able to demonstrate that it has engaged in good faith efforts to obtain an ETC designation, but the proceeding is not yet complete. The FCC will presume that an entity acted in good faith if the entity files its ETC application within 30 days of December 7, 2020.⁵ As noted, Ralls has been selected as a winning bidder in the RDOF I Auction for 10 CBG in Missouri. Because the timeframe for Ralls to obtain ETC designation is short and the consequences of failure to do so are severe, Ralls respectfully requests that the Commission review this Application promptly and grant Ralls ETC designation in the Census Blocks identified in this Application on an expedited basis.

I. REQUIREMENTS FOR DESIGNATION AS AN ETC

Section 254(e) of the Act provides that “only an eligible telecommunications carrier

⁴ See 47 CFR §§ 54.310(e)(1), 54.315(b)(5); see also *Rural Digital Opportunity Fund Phase I Auction (Auction 904) Closes, Winning Bidders Announced, FCC Form 683 Due January 29, 2021*, DA 20-1422 at para. 36 (December 7, 2021) (“RDOF Winning Bidders Announced Public Notice”) (“...by Monday June 7, 2021, the long-form applicant must submit for each state the required documentation and a certification letter from an officer.”)

⁵ RDOF Winning Bidders Announced Public Notice, at para. 37.

designated under section 214(e) shall be eligible to receive specific federal universal service support.” Section 214(e)(2) of the Act authorizes state commissions, such as the Commission, to designate ETC status for federal universal service purposes and authorizes the Commission to designate wireline ETCs.⁶ Section 214(e)(1) of the Act and Section 54.201(d) of the FCC’s rules provide that applicants for ETC designation must be common carriers that will offer all of the services supported by universal service, either using their own facilities or a combination of their own facilities and the resale of another carrier’s services.⁷ Applicants also must commit to advertise the availability and rates of such services.⁸

In support of this Application, Ralls states as follows:

II. BACKGROUND

Ralls Technologies, LLC is a Missouri corporation headquartered at 17594 Hwy 19, New London, MO 63459. Ralls is registered with the Missouri Secretary of State to do business in Missouri and includes its Missouri Certificate of Good Standing as Exhibit B hereto. Ralls is a wholly owned subsidiary of Ralls Electric Service Co. which is also headquartered at 17594 Hwy 19, New London, MO 63459 (“Ralls Electric”). Ralls was founded in 2003 supplying internet service via wireless and satellite. In 2009 Ralls deployed fiber optic services to every member of the electric cooperative offering TV, internet and IP phone services. In 2019 Ralls started building to areas outside of the electric cooperative footprint.

Ralls will deploy and operate a fiber-to-the-home network that will provide high-speed broadband Internet access service with speeds up to 1 GB and Voice over Internet Protocol (VoIP) services throughout the awarded CBG areas, which largely lacks access to such high-speed

⁶ Federal-State Joint Board on Universal Service, First Report and Order, 12 FCC Rcd 8776, at 8858-59 ¶ 145.

⁷ See 47 U.S.C. 214(e)(1)(A).

⁸ See 47 U.S.C. 214(e)(1)(B).

broadband services. Ralls will use its own facilities, and those of Ralls Electric, to provide the broadband and interconnected VoIP services described above. In providing the VoIP technology Ralls will continue to partner with its existing third-party vendor Momentum.

III. COMMUNICATIONS AND CORRESPONDENCE

Pleadings, orders, notices, or other correspondence and communications regarding this Application should be provided to:

Bob Winsel
Chief Operating Officer
Ralls Technologies, LLC
17594 Hwy 19
New London, MO 63459
Tel: (573) 985-3600
Email: bwinsel@rallstech.com

With a copy to:

Bruce Beard
Cinnamon Mueller, LLC
1714 Deer Tracks Trail, Suite 230
St. Louis, MO 63013
Tel: (314) 394-1535
E-Mail: bbeard@cinnamonmueller.com

IV. RALLS' PARTICIPATION IN THE FCC'S RDOF I AUCTION

A. Background on the RDOF I

On February 7, 2020, the FCC issued a Report and Order concerning its Rural Digital Opportunity Fund initiative, which enabled the FCC to move forward with the RDOF I Auction. Service providers competed to receive funding to offer voice and broadband service in unserved high-cost areas.⁹ Under this program the FCC will disburse up to \$20.4 billion over the next decade (with 16 billion allocated to phase I) for providers— including competitive providers such

⁹ *FCC Launches \$20 Billion Rural Digital Opportunity Fund*, Report and Order, 35 FCC Rcd 686 (2020) (“RDOF Order”).

as competitive local exchange carriers and fixed wireless ISPs— to connect millions more rural homes and small businesses to high-speed broadband networks. Phase I targets areas that current data confirm are wholly unserved.¹⁰ As a winning bidder, Ralls will receive \$129,039.64 annually for 10 years.

B. Ralls’s Selection as a Winning Bidder

Ralls participated in the 904 auction as part of the NRTC Phase 1 RDOF Consortium (the “Consortium”). Ralls received notice on December 7, 2020 of the Consortium’s winning bid and the winning bid on the applicable census block groups were assigned to Ralls via the Consortium’s December 21, 2020 division of award filing with the FCC. Specifically, Ralls is the winning bidder in 10 CBG in Missouri. In order for Ralls to receive the RDOF I Auction support it has been awarded, it must demonstrate to the FCC that it has been designated as an ETC in the areas where it was the winning bidder. The FCC’s deadline for submitting proof of the ETC designation is June 7, 2021.¹¹

V. RALLS MEETS THE STATE AND FEDERAL STATUTORY AND REGULATORY REQUIREMENTS FOR ETC DESIGNATION

Ralls meets all federal and state requirements for designation as an ETC in Missouri, including, 47 U.S.C. § 214(e) and 47 C.F.R. § 54.201, *et seq.*, and the Missouri Commission rules found in 20 CSR 4240

A. Ralls Meets All Federal Requirements For ETC Designation

Ralls meets all criteria for designation as an ETC under federal law. Specifically:

1) **Description of Service.** Ralls offers, and will offer, upon designation as an ETC in Missouri, all the services and functionalities required by 20 CSR 4240-31.015, Section

¹⁰ *Id.*

¹¹ FCC Form 683

45.101(a)(1)-(9) and Section 54.202(a) of the FCC's Rules (47 C.F.R. § 54.101(a)). Ralls has offered high-speed Internet access service and interconnected VoIP service to its subscribers since 2009. Ralls is registered as an interconnected VoIP provider in the state of Missouri (see, DA-2011-0146). All Internet services meet the FCC definition of Broadband (i.e. 25 mbps download/3 mbps upload). Ralls will use the RDOF I funding to provide speeds up to 1 GB. Such speeds will be offered throughout the census blocks being built out using the RDOF I funding. Ralls will also offer local exchange service via interconnected VoIP throughout the census blocks. Ralls' service and rates are available for viewing online at: <https://rallstech.com/>

2) **Ralls Requests Designation In its Proposed RDOF I Service Area in Missouri.**

The FCC adopted a census block methodology for designating a service area for the RDOF I Auction. Ralls requests ETC designation for a service area that includes the census block areas of Missouri on the attached **Exhibit A**, which identifies the census blocks for which funds were allocated through the RDOF I Auction.

3) **Ralls will offer services using its own facilities or combination of its own facilities and resale.** Ralls will use its own facilities to extend fiber and build out the census blocks allocated through the RDOF I auction. Ralls has deployed a fiber-network and has partnered with Momentum to offer interconnected VoIP services over its network.

4) **Ralls will advertise availability of service and its price, using media of general distribution.** Ralls will advertise the availability of, and charges for, its supported service offerings using media of general distribution and will undertake outreach initiatives to increase consumer awareness consistent with all applicable requirements. Specifically, Ralls will utilize outreach materials and methods designed to reach households that currently do not have telephone service and those likely to qualify for the service. Additionally, Ralls will coordinate its outreach

efforts with relevant government agencies and other local groups. Advertising will include, but not be limited to, targeted direct mail, advertisements in daily and weekly print periodicals, billboards and radio advertising. Ralls Technologies, LLC will also coordinate with relevant state agencies, community outreach organizations, and non-profit organizations to make information regarding supported service offering available in their respective resource guides, other printed materials and offices. Ralls will also advertise through online search engines. Ralls will use the appropriate media outlets to advertise its universal service offerings in a manner consistent with applicable requirements.

5) **Ralls will comply with applicable Federal Service requirements.** Ralls certifies that it will comply with the service requirements applicable to the support it receives,¹² including the requirements of the RDOF I Auction.

6) **Ralls' ability to remain functional in emergency situations.** Ralls certifies that its fiber optic network will have the ability to remain functional in emergency situations and fulfill the applicable requirements. Ralls also certifies that its fiber optic network will support telephone service using VoIP technology and will support all phone features, including 911 services. Ralls Technologies, LLC can modify network routing and weighting as needed to reroute traffic around damaged facilities. Traffic management capabilities will also allow Ralls to manage traffic spikes throughout its network, as emergency situations require. Ralls has established reasonable provisions to meet emergencies resulting from failures of lighting or power service, sudden and prolonged increases in traffic, illness of operators or from fire, storm or acts of God, including provisions to supply a reasonable amount of emergency power to provide a reasonable amount of battery service at members' premises. Ralls' network facilities will have off-grid backup power

¹² 47 C.F.R. § 54.202(a)(1)(i).

available, as well, from its backup generator system. Therefore, Ralls' on-site generator will give network facilities sufficient availability of backup power. This system will ensure functionality without an external power source. In the case of damaged facilities, Ralls will be able to re-route traffic to circumvent such facilities by utilizing its secondary connections. Ralls will also maintain adequate capacity to manage traffic spikes from emergency situations. Ralls has informed employees as to the procedures to be followed, including reasonable rerouting of traffic around damaged facilities and the deployment of emergency power in the event of emergency to prevent or mitigate interruption or impairment of telecommunications service. Finally, Ralls' contract arrangement with Momentum imposes certain obligations on Momentum to ensure Ralls' supported service offering remains functional during emergency situations.

7) **Ralls will satisfy applicable consumer protection, consumer privacy, and service quality standards.** Ralls will satisfy all consumer protection and service quality standards as provided in 47 C.F.R § 54.202(a)(3), and all applicable state specific consumer protection and service quality standards. Ralls follows applicable federal and state service quality and consumer protection rules. Ralls provides the following to demonstrate its concern for consumer protection and service quality standards. Ralls complies with quality of service requirements including monitoring and reporting service quality metrics where required. Ralls has implemented numerous consumer protection measures to protect customer information. For example, Ralls implemented Customer Proprietary Network Information ("CPNI") policies and procedures that are consistent with the FCC's regulations. Employees are required to complete CPNI training and in addition, employees who have access to CPNI data receive additional guidance through written procedures regarding customer authentication. Additional consumer protection measures include Ralls' use of a third-party verifier to prevent unauthorized

presubscribed interexchange carrier (PIC) changes (“Slamming”) and the fact that there are no billing and collection arrangements that could have potentially allowed unauthorized third-party charges to be added to customer’s bills (“Cramming”).

8) **Description of rates, terms and conditions of proposed voice telephony service to be supported as Lifeline or Disabled Services.** As required by 47 C.F.R. § 54.101, Ralls will offer the voice telephony and broadband services supported by federal universal service support mechanisms, including the following capabilities:

- Voice Grade Access To The Public Switched Telephone Network – Ralls meets this requirement through its provision of an interconnected VoIP service packages that include minutes of use for local service provided at no additional charge beyond the package price and applicable taxes and surcharges to end users (*i.e.*, plans are generally unlimited usage within the U.S.) and access to emergency services via 911 or E-911, wherever available from local government or public safety organizations. Ralls will also provide toll limitation services to qualifying low-income consumers as provided in the Commission’s Rules.¹³
- Broadband Internet Access Services – Ralls’ broadband Internet access service provides the capability to transmit data to and receive data by wire from all or substantially all Internet endpoints, including any capabilities that are incidental to and enable the operation of the communications service.¹⁴

Ralls commits to provide these services consistent with applicable high-cost universal service support rules¹⁵ Ralls will also offer Lifeline service as required by the FCC’s rules at all locations where

¹³ 47 C.F.R. § 54.101(a)(1)

¹⁴ 47 C.F.R. § 54.101(a)(2)

¹⁵ 47 C.F.R. § 54.101(c).

it has been awarded support.¹⁶ Ralls will offer voice telephony as a standalone service and at rates reasonably comparable to urban rates.¹⁷

9) **Explanation of how Ralls intends to provide service through the proposed service area, including areas where the applicant lacks facilities or network facilities.** Ralls currently offers broadband Internet access service and interconnected VoIP service throughout its built-out service areas today. Ralls will use the allocated RDOF I Auction funds allocated to it, along with its own funds, to build out the awarded census blocks.

10) **Ralls will ensure service will be provided in a timely manner to requesting customers.** Ralls currently offers broadband Internet access service to its customers since 2009 and has a long, established history of providing service in a timely manner. In addition, the receipt of the RDOF I funds includes a stringent buildout milestones including a requirement for 40% completion by the end of year 3, then 20% additional completeness per year through year 6. Then, winners have until the end of year 8 to serve any additional locations not initially included in the CBG. Failure to meet these buildout milestones will result in escalating non-compliance penalties from the FCC.

11) **Commitment to remit required 911 revenues.** Ralls commits to remit all required 911 revenues.

12) **Ralls is financially viable and technically capable of providing voice telephony service.** Ralls possesses the financial and technical capabilities to pay for all start-up expenses (e.g., construction, hardware, operations, etc.) to get its fiber optic network built and the begin the provision of voice and broadband services throughout its proposed ETC Designation area. Ralls will be able to obtain the requisite amount of lending under its existing lines of credit and is able to obtain additional financing, if necessary, besides the RDOF Phase I support being provided to Ralls. Ralls has demonstrated their full financial and technical capabilities since

¹⁶ 47 C.F.R. § 54.101(d)

¹⁷ *USF/ICC Transformation Order*, 26 FCC Rcd at 17693, paras. 80-81; *see also* 47 C.F.R. § 54.101(b).

beginning operations in 2003, including the fiber upgrades made in 2009.

13) **Description of how Ralls will provide access to directory assistance, operator services and interexchange services.** Directory assistance, operator services and interexchange services are provided via a combination of Ralls network and commercial wholesale agreements.

14) **Disciplinary history, if any, of applicant or individuals associated with applicant.** Neither Ralls, nor any individuals associated with Ralls, have a history of any disciplinary action.

15) **Elements for participation in Lifeline or Disability program.** Ralls supported Lifeline service offering will provide voice grade access to the PTSN through its provision of resold VoIP services from Momentum. This service will include minutes of use for local service provided at no additional charge to eligible consumers (plans are generally unlimited usage within the U.S.). Ralls will offer Lifeline voice and broadband service to qualifying low-income consumers pursuant to the Commission's Lifeline rules.

16) **Certifications of Compliance.** Consistent with Section 20 CSR 4240-31.016(6), Ralls:

- Certifies that it will comply with the ETC requirements identified in 20 CSR 4240-31.015
- Does not intended to seek support from the Missouri USF or the disabled program at this time
- Commits to notify the Commission of any changes to company contact info
- Certifies that it is compliant with all reporting and assessment obligations to the Commission
- Certifies that it is compliant with contribution obligations to the federal USF
- Commits to solely conduct business under the name granted for ETC status. Ralls will not use any additional service or brand names.

17) **FCC High Cost Compliance.** Ralls commits to provide these services consistent with

applicable high-cost universal service support rules.¹⁸ Ralls will also offer Lifeline service as required by the FCC's rules at all locations where it has been awarded support.¹⁹ Ralls will offer voice telephony as a standalone service and at rates reasonably comparable to urban rates.²⁰

B. Ralls Meets All Additional State Requirements in 4 CSR 240-2.060 and 20 CSR 4240-31.016

1. Ralls has no pending action or final unsatisfied judgements or decisions against it from any state or federal agency or court which involve customer service or rates within the last 3 years.
2. No annual report or assessment fees are overdue.
3. Attached as Exhibit E hereto is an affidavit verified under oath by an authorized officer of the corporation.
4. Ralls is wholly owned by Ralls Electric. Therefore, no other individual or entity has 10% or more ownership interest in Ralls.
5. The officers and directors of the company are elected to 3-year terms and current directors and management personnel are identified on Exhibit C. Key personnel exerting control over Ralls day-to-day operations are set forth on Exhibit D.
6. Ralls does not share ownership or management with any other company receiving universal service funding.
7. There have been no matters brought in the last 10 years by any state, federal or law enforcement agency involving fraud, deceit, perjury, stealing or omission or misstatement of fact against Ralls, any person or entity with 10% or more

¹⁸ 47 C.F.R. § 54.101(c).

¹⁹ 47 C.F.R. § 54.101(d)

²⁰ ²⁰ *USF/ICC Transformation Order*, 26 FCC Rcd at 17693, paras. 80-81; *see also* 47 C.F.R. § 54.101(b).

ownership interest in Ralls, or any affiliated company under common management or ownership.

8. Ralls has not obtained any waivers of ETC-related requirements from the FCC

VI. DESIGNATION OF RALLS AS AN ETC IS IN THE PUBLIC INTEREST

In the FCC's recent *Report and Order* concerning the Rural Digital Opportunity Fund program, the FCC described, "its goal of connecting all Americans, no matter where they live and work."²¹ As a winning bidder in the RDOF I Auction, Ralls is eligible to receive funding to bring high-quality voice and broadband services to consumers in underserved portions of Missouri. By selecting Ralls as a recipient of RDOF I Auction funds, the FCC has recognized that the voice and broadband services Ralls proposes to deploy with the funds would advance the goal of the RDOF I Auction, and thereby advance the goals of universal service.

Designation of Ralls as an ETC serves the public interest by allowing Ralls to offer voice and broadband services, including to low-income households that qualify for Lifeline benefits, as the cooperative brings high-speed broadband Internet and VoIP services to underserved locations in the CBGs. Ralls ETC designation will bring another competitive voice and broadband provider to consumers in the CBGs. Ralls has been an active member in its community and has been committed to supporting numerous efforts to help its region grow and prosper. Ralls is determined to make it easier for consumers located within the CBGs to receive affordable telecommunications and high-speed broadband Internet services that are comparable to those enjoyed by other customers. Ralls understands that access to voice services and high-speed broadband Internet services will attract more business and residents to the area, creating better jobs and allowing families to enjoy a decent lifestyle. Because granting Ralls' Application will allow it to use the

²¹ *RDOF Order at para. 1*


RDOF I funds as intended to expand voice and broadband service in Missouri, designating Ralls as an ETC is in the public interest.

VII. CONCLUSION

For the reasons stated herein, Ralls respectfully requests that the Commission designate Ralls as an ETC in the area identified in **Exhibit A** on an expedited basis and order such other relief as may be appropriate.

Respectfully submitted,

Ralls Technologies, LLC

By: 

Bruce Beard
Cinnamon Mueller, LLC
1714 Deer Tracks Trail
Suite 230
St. Louis, Missouri 63017
Tel: (314) 394-1535
E-Mail: bbeard@cinnamonmueller.com

Dated: January 6, 2021

Exhibit A

List of Census Blocks Where Ralls Technologies, LLC was Awarded RDOF I Auction Support

MO-127-9608005

MO-137-9601003

MO-173-4701001

MO-173-4701003

MO-173-4702001

MO-173-4702002

MO-173-4702003

MO-173-4703001

MO-173-4703002

MO-173-4703003

Exhibit B

Missouri Certificate of Good Standing

STATE OF MISSOURI



John R. Ashcroft
Secretary of State

CERTIFICATE OF GOOD STANDING

I, John R. Ashcroft, Secretary of State of the STATE OF MISSOURI, do hereby certify that the records in my office and in my care and custody reveal that

RALLS TECHNOLOGIES, LLC
LC0077511

A Missouri entity was created under the laws of this State on 2/3/2003, and is Active, having fully complied with all the requirements of this office.

IN TESTIMONY WHEREOF, I hereunto set my hand and cause to be affixed the GREAT SEAL of the State of Missouri.
Done at the City of Jefferson, the 6th day of January, 2021.


Secretary of State

Certification Number: CERT-IN47976



Exhibit C

Current Director and Management Personnel of Ralls Technologies, LLC

Officers and Directors

President: John Hemeyer

Vice-President: Sharon Leak

Secretary: Connie Ketsenburg

Treasurer: Michael Huff

Directors:

Thomas Wooten

Jerry Elsberry

Martin Wasson

David Palmer

Mark Hodges

Exhibit D:

Key Personnel Exerting control over Ralls' day-to-day operations

Key Personnel Exerting control over Ralls' day-to-day operations

Chief Executive Officer: Lynn Hodges

Chief Operating Officer: Bob Winsel

Chief Financial Officer: Rhonda Robison

Exhibit E:
Affidavit

AFFIDAVIT

I, Robert L Winsel, a natural person, do hereby swear and affirm that I am an officer or general partner of Ralls Technologies, LLC and that the information and statements contained in this application are true and correct to the best of my knowledge and belief. By signing this form, I hereby certify that neither I, nor any other members of this filing party, has had communications with a Commissioner, Commissioner Advisor, Regulatory Law Judge, member of the General Counsel or any member of their support team in the sixty (60) days prior to the filing date of this application regarding any substantive issue included in this filing. If any communication of this sort has occurred in the previous sixty (60) day period, I further certify this application was held until sixty (60) days have passed from the date of the subject communication, or we have requested a waiver for good cause as allowed by Commission Rule 20 CSR 4240- 4.017(1)(D).

Signature: [Handwritten Signature]

Printed Name Robert L Winsel

Title: COO

State of Missouri

County of Ralls

Subscribed and sworn before me this 6th day of January, 2021.

Notary Public Peggy A. Wagner

