

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

In the Matter of the Partial Relinquishment)	
of Designation as an Eligible Telecommunications)	<u>File No. DD-2025-0224</u>
Carrier for Co-Mo Connect)	

STAFF RECOMMENDATION

COMES NOW the Staff of the Missouri Public Service Commission (Staff) and for its *Staff Recommendation* states as follows:

1. On February 17, 2025, Co-Mo Comm, Inc. d/b/a Co-Mo Connect filed a request to partially relinquish its designation as an eligible telecommunications carrier (“ETC”). Specifically, Co-Mo Connect would relinquish those census blocks awarded to it in File Nos. DA-2021-0196 and DA-2025-0054, which are attached as Attachment A to its request.

2. Co-Mo Connect filed a letter with the Commission on February 17, 2025, requesting the Commission revise its ETC designated service area. This letter came after Co-Mo notified the Federal Communications Commission (“FCC”) of its intent to partially default on its broadband funding obligations associated with Rural Digital Opportunity Fund (“RDOF”) Phase I.¹ Co-Mo Connect states that it has not built out or launched broadband service in the census blocks where it seeks to relinquish ETC designation and does not have any fiber customers in the proposed ETC relinquishment area.

¹ On June 28, 2024, Co-Mo Connect filed a Notice of Election of Partial Default of its RDOF Phase I Auction obligations with the FCC. Co-Mo Connect explained to the FCC that escalating construction costs that started during the COVID-19 pandemic is the cause for its partial RDOF default. On July 10, 2024, the FCC’s Wireline Competition Bureau released a Public Notice acknowledging Co-Mo Connect’s partial RDOF default, and making the defaulted census blocks eligible for other broadband funding.

3. The FCC has acknowledged the Co-Mo Connect's default notice. In such situations the FCC makes adjustments to the national broadband map so the area might receive other forms of broadband deployment funding. Funding to the company is reduced and the company will ultimately face consequences for failing to meet original broadband funding deployment obligations.²

4. The Commission's rules do not specifically address requests to reduce an existing ETC's service territory; however, Commission Rule 20 CSR-4240-31.015 is perhaps most applicable. Commission Rule 20 CSR 4240-31.015.4 states that relinquishment of ETC status is accomplished by providing a letter signed by an authorized company official or representative to the Commission at least 60 days prior to the relinquishment of the ETC status. The rule also requires compliance with 47 U.S.C. Section 214(e)(4), which states:

A State commission ... shall permit an eligible telecommunications carrier to relinquish its designation as such a carrier in any area served by more than one eligible telecommunications carrier. An eligible telecommunications carrier that seeks to relinquish its eligible telecommunications carrier designation to an area served by more than one eligible telecommunications carrier shall give advance notice to the State commission ... of such relinquishment.

* * *

Prior to permitting a telecommunications carrier designated as an eligible telecommunications carrier to cease providing universal service in an area served by more than one eligible telecommunications carrier, the State Commission ... shall require the remaining eligible telecommunications carrier or carriers to ensure that all customers served by the relinquishing carrier will continue to be served, and shall require sufficient notice to permit the purchase or construction of adequate facilities by any remaining eligible telecommunications carrier.

² FCC rule §54.806 provides a progressive schedule of financial consequences depending on a company's overall compliance in meeting Rural Digital Opportunity Funding deployment obligations.

5. The area where Co-Mo Connect seeks to relinquish ETC designation is served by other ETCs. These companies have ETC status to solely provide Lifeline service. Although Co-Mo Connect no longer has plans to provide broadband service to the locations in this area, no customers will lose service. As explained in Staff's *Memorandum*, attached hereto as Appendix A, Staff recommends the Commission issue an order formally acknowledging Co-Mo Connect's reduced designated ETC service area.

6. The Commission need not hold a hearing, if, after proper notice and opportunity to intervene, no party requests such a hearing. *State ex rel. Rex Deffenderfer Enterprises, Inc. v. Public Service Commission*, 776 S.W.2d 494 (Mo. App. W.D. 1989).

WHEREFORE, Staff respectfully recommends the Commission grant Co-Mo Connect's request to reduce its ETC designated service area by the area identified in Attachment A of Co-Mo Connect's request; and grant such other and further relief as is just in the circumstances.

Respectfully submitted,

/s/ Mark Johnson

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served by electronic mail, or First Class United States Postal Mail, postage prepaid, on this 18th day of March, 2025, to all counsel of record.

/s/ Mark Johnson

MEMORANDUM

To: Missouri Public Service Commission Official Case File
Case No. DD-2025-0224

From: Kari Salsman, Senior Research/Data Analyst
John VanEschen, Regulatory Compliance Manager
Telecommunications Department

Subject: Staff's Recommendation for Co-Mo Comm, Inc. d/b/a Co-Mo Connect's
Request to Reduce Its Eligible Telecommunication Carrier Designation
Area

Date: March 18, 2025

On December 13, 2024, Co-Mo Comm, Inc. d/b/a Co-Mo Connect (Co-Mo Connect) filed a request for the Missouri Public Service Commission (Commission) to change the area for its Eligible Telecommunications Carrier (ETC) designation.¹ The area the company is requesting to remove is in Attachment A of the application.

Co-Mo Connect was originally awarded Rural Digital Opportunity Fund (RDOF) funding to expand broadband service.² On June 28, 2024, Co-Mo Connect notified the FCC that it was defaulting on 2,014 locations of its RDOF broadband deployment obligation due to rising construction costs. On July 10, 2024, the Federal Communications Commission (FCC) issued a Public Notice acknowledging the company's notice of default. This acknowledgement allows for the area to potentially receive other broadband deployment funding. The FCC also reduced Co-Mo's RDOF support but the company remains subject to consequences for failing to fulfill broadband deployment obligations.

State commissions granting ETC designations are expected to properly reflect an ETC's designated service area. The Missouri Commission's rules do not specifically address requests to reduce an existing ETC's service territory; however, Commission Rule 20 CSR-4240-31.015 is perhaps most applicable. This rule indicates a company can relinquish its ETC designation by providing a letter signed by an authorized company official or representative at least sixty (60) days prior to relinquishing ETC status demonstrating compliance with 47 U.S.C. § 214(e)(4). These federal requirements are codified in FCC rule 47 CFR 54.205 and essentially are intended to ensure the affected area will continue to be served by at least one ETC. In this instance, other ETCs serve the affected area although service by these other ETCs is limited to the provisioning of Lifeline service. Co-Mo Connect has no subscribers in this area.

¹ On February 24, 2021, in Case No. DA-2021-0196, the Commission expanded the Company's existing ETC designation to include certain RDOF areas in central Missouri. On September 24, 2024, in Case No. DA-2025-0054, the Commission expanded the Company's existing ETC designation to allow it to receive state Missouri Universal Support.

² The company was awarded \$14,091,983.40 in RDOF support over 10 years to extend broadband service to 16,869 locations in Missouri.

Staff recommends the Commission issue an order formally acknowledging Co-Mo Comm, Inc. d/b/a Co-Mo Connect's reduced ETC designated area. The company's existing ETC designated area should remove the census blocks identified in Attachment A of its application.