

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

In the Matter of the Application of Mid-States )  
Services, LLC for Designation as an )  
Eligible Telecommunications Carrier )  
in the State of Missouri )

**File No. LO-2019-0093**

**STAFF RECOMMENDATION**

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

1. On September 28, 2018, Mid-States Services, LLC (Mid-States) filed an application with the Missouri Public Service Commission (Commission) seeking designation as an Eligible Telecommunications Carrier (ETC) in relation to the Connect America Fund II (CAF II) auction held by the Federal Communications Commission (FCC) as well as to provide services for low income customers through the Lifeline program. Mid-States submitted several supplemental filings pursuant to discussions with Staff regarding insufficiencies in the original application.

2. Commission rule 4 CSR 240-31.130 governs the specific eligible telecommunications carrier requirements that each applicant must meet. Applications must also comply with 4 CSR 240-2.060 and shall be verified by oath as to the truthfulness contained in the application by an officer or director of the applicant.

3. The CAF II program is part of the FCC's reform and modernization of its universal service fund support programs designed to accelerate the expansion of broadband services to rural areas and any areas which presently lack the infrastructure capable to support at least 10/1 Mbps of fixed broadband services. The FCC held an

auction to allocate funds to various companies which could further the goals of the CAF II program. The FCC requires each winning company to obtain ETC designation from its respective public utilities commission prior to receiving the allocated funds. Winners of the auction must certify within 180 days of the release of the Public Notice from the FCC which closed the CAF II auction that they have obtained ETC designation. Public Notice was issued August 21, 2018, so Mid-States must certify that it has obtained ETC designation no later than February 25, 2019.

4. Staff has provided a memorandum attached to this pleading as Appendix A. Staff's memorandum outlines the reasons why Staff believes Mid-States has met the requirements of 4 CSR 240-31.130 and should receive ETC designation.

**WHEREFORE**, Staff recommends that the Commission issue an order that approves Mid-States Services, LLC's, application for designation as an Eligible Telecommunications Carrier for the purpose of receiving federal high-cost and low-income support; that the designation be limited to the area identified by census blocks in Exhibit 1 of Mid-States initial application; and grant such other and further relief as is just in the circumstances.

Respectfully submitted,

**/s/ Whitney Payne**

Whitney Payne

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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 19th day of October, 2018, to all counsel of record.

**/s/Whitney Payne**

# MEMORANDUM

**To:** Missouri Public Service Commission Official Case File  
Case No. LO-2019-0093

**From:** Kari Salsman  
John VanEschen  
Telecommunications Department

**Subject:** Staff's Recommendation to Approve Mid-States Services, LLC Request  
for Designation as an Eligible Telecommunications Carrier in Missouri.

**Date:** October 18, 2018

On September 28<sup>th</sup>, Mid-States Services, LLC (Mid-States) filed an application for designation as an Eligible Telecommunications Carrier (ETC) for the purpose of receiving federal high cost support. The company later supplemented its application to include low income support. Mid-States is a registered IVoIP provider and certificated local exchange and interexchange provider in Missouri.<sup>1</sup> The company was recently awarded Connect America Fund Phase II support in a reverse auction process.<sup>2</sup> The funding requires the company to extend broadband service to a designated number of locations in certain census blocks.<sup>3</sup> The company needs to obtain ETC status by February 2019 in order to begin receiving this funding. Mid-States is not seeking Missouri USF support.

Federal authority enables state commissions to grant ETC status to a company.<sup>4</sup> Missouri's ETC application requirements are contained in existing Missouri Commission rule 4 CSR 240-31.130(1). Staff reviewed the company's request for compliance with Missouri's rule as well as federal requirements.<sup>5</sup> In Staff's opinion the company has adequately met all ETC application requirements. Consequently Staff supports the Commission granting the company's application for ETC status.

Staff recommends the Commission grant ETC status to Mid-States Services, LLC for the purpose of receiving federal high-cost and low-income support. ETC designation should be limited to the area identified by census blocks in Exhibit 1 of the company's initial filing.<sup>6</sup>

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<sup>1</sup> Case Nos. DA-2018-0163 & LA-2019-0083

<sup>2</sup> The company has been awarded \$1,868,059 over 10 years to extend broadband service to 358 locations. The broadband speed for these locations can vary but will generally be 10/1 Mbps or higher depending on the bid.

<sup>3</sup> Census block service areas are listed in Exhibit 1 of ETC application.

<sup>4</sup> 47 U.S.C. §214(e)(2) and FCC rule §54.201.

<sup>5</sup> FCC Public Notice; WCB Reminds Connect America Fund Phase II Auction Applicants of the Process for Obtaining a Federal Designation as an Eligible Telecommunications Carrier; WC Docket Nos. 09-197, 10-90; DA 18-714; released July 10, 2018.

<sup>6</sup> A state commission must designate the service area for ETC designation per 47 CFR 54.201(b). FCC rules give states some latitude in defining a service area per 47 CFR 54.207.