

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service Commission held at its office in Jefferson City on the 1st day of May, 2013.

Application of Chariton Valley Telecom)
Corporation for Designation as a)
Telecommunications Carrier Eligible for)
Federal Universal Service Support pursuant)
to § 254 of the Telecommunications Act)
of 1996)

File No. TA-2012-0128

**ORDER GRANTING APPLICATION FOR DESIGNATION
AS AN ELIGIBLE TELECOMMUNICATIONS CARRIER**

Issue Date: May 1, 2013

Effective Date: May 11, 2013

Syllabus: The Missouri Public Service Commission grants eligible telecommunications carrier (“ETC”) status to Chariton Valley Telecom Corporation (“Chariton Valley”) for the purpose of receiving Lifeline and high-cost support as a landline carrier in the Macon, Missouri exchange served by Spectra Communication Group, LLP.

Procedural History

On October 26, 2011, Chariton Valley applied to the Commission for designation as an eligible telecommunications carrier (“ETC”), for the purpose of receiving Lifeline and high-cost support as a landline carrier in the Macon, Missouri exchange served by Spectra Communication Group, LLP.

Staff filed its Recommendation on April 9, 2013, requesting that the Commission grant Chariton Valley the requested relief. No parties responded to Staff’s pleading.

Discussion

The application is within the Commission's jurisdiction to decide.¹ Because no party objects to Chariton Valley's application, no evidentiary hearing is required.² Thus, the Commission deems the hearing waived³, and bases its findings on the verified filings, and makes its conclusions as follows.

Chariton Valley is a Missouri corporation. It is a competitive local exchange carrier and holds a certificate of service authority to provide basic local exchange services in its service area. Within the last three years before the application's filing, no pending action or final unsatisfied judgment or decision, involving customer service or rates, has occurred in any state or federal agency or court against Chariton Valley, and Chariton Valley has no overdue annual report or assessment fees.

The federal Universal Service Fund was established in the Telecommunications Act of 1996. The stated purpose of the fund is to ensure that telephone customers in rural and high cost areas, as well as low-income customers, have access to quality telecommunications services at reasonable and affordable rates.⁴ To meet that goal, the Universal Service Fund redistributes money paid into the fund by telecommunications customers to telecommunications service providers who serve rural and high cost parts of the country. Before a telecommunications service provider is eligible to receive funding from the Universal Service Fund, it must be designated as an Eligible Telecommunications Company, referred to by the acronym ETC.

¹ 47 U.S.C. § 214(e)(2).

² *State ex rel. Rex Deffenderfer Ent., Inc. v. Public Serv. Com'n*, 776 S.W.2d 494 (Mo.App. 1989).

³ Section 536.060, RSMo 2000.

⁴ 47 U.S.C. 254(b).

The Telecommunications Act established two factual criteria for determining whether an applicant may be designated as an ETC. First, the applicant must offer the services that are supported by the Universal Service Fund throughout the service area for which the designation is received.⁵ The applicant can offer those services either through its own facilities, or a combination of its own facilities and the resale of another carrier's services. Second, the applicant must advertise the availability of such services and the charges therefore using media of general distribution.⁶

Staff further states that on November 18, 2011, the Federal Communications Commission ("FCC") issued a Report and Order in which the federal Universal Service Fund ETC criteria have been changed.⁷ Staff states that the Commission must also determine that the granted ETC status will not result in "cream-skimming".⁸ Staff recommends that Chariton Valley's analysis is sufficient to establish that granting ETC status will not result in cream-skimming.

The Commission finds the allegations in the Application and its supplements, and Staff's Memorandum and Recommendation to be true. The Commission may grant Chariton Valley eligible telecommunications carrier designation if it offers the services set out in Section 254 of the Act and if it advertises the availability of those services using

⁵ 47 CFR 54.101(a) (which requires ETCs to offer (1) Voice grade access to the public switched network; (2) Local usage; (3) Dual tone multi-frequency signaling or its functional equivalent; (4) Single-party service or its functional equivalent; (5) Access to emergency services; (6) Access to operator services; (7) Access to interexchange service; (8) Access to directory assistance; (9) Toll limitation for qualifying low-income consumers; and (10) Access to telecommunications relay services by dialing 711.

⁶ 47 U.S.C. 214(e)(1).

⁷ Report and Order and Further Notice of Proposed Rulemaking, WC Docket No. 10-90 et al., FCC 11-161 (issued November 18, 2011).

⁸ A cream-skimming analysis is to be conducted when an applicant seeks ETC designation below the study area level of a rural telephone company. Cream-skimming occurs when competitors seek to serve only the low-cost, high revenue customers in a rural telephone company's study area.

media of general distribution.⁹ The Commission finds that Chariton Valley has met those requirements. Therefore, the Commission will designate Chariton Valley as an eligible telecommunications carrier.

THE COMMISSION ORDERS THAT:

1. Chariton Valley Telecom Corporation is designated as an eligible telecommunications carrier for the purpose of receiving Lifeline and high-cost support throughout the Macon, Missouri exchange served by Spectra Communications Group, LLP. under the provisions of 47 U.S.C. §§ 214 and 254.

2. Granting Chariton Valley Telecom Corporation eligible telecommunications carrier status will not result in cream-skimming.

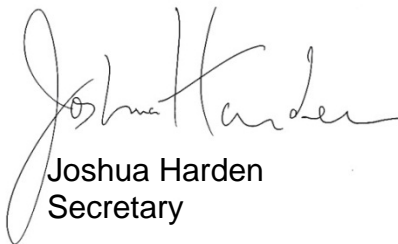
3. Chariton Valley Telecom Corporation is authorized to receive Missouri Universal Service Fund support.

4. Chariton Valley Telecom Corporation shall advertise the availability of Lifeline services using media of general distribution, in compliance with 47 U.S.C § 214(e)(1).

5. This order shall become effective on May 11, 2013.

6. This case shall be closed on May 12, 2013.

BY THE COMMISSION



Joshua Harden
Secretary

R. Kenney, Chm., Jarrett, Stoll,
and W. Kenney, CC., concur.

Pridgin, Senior Regulatory Law Judge

⁹ 47 U.S.C. § 214(e)(1), (2).