

asks the commission to retain a portion of the rules relating to such a fund. STCG also offers comments about specific provisions of the rules.

RESPONSE: The commission thanks STCG for its general comments and will address its specific comments in the appropriate rulemaking.

COMMENT #7: Public Counsel reminds the commission that it has a statutory obligation to preserve and advance universal service in this state. To that end, Public Counsel urges the commission to protect elements of such service, such as interexchange service, access to directory assistance, and access to operator services, rather than merely seeking to align Missouri rules with those offered by the FCC. Public Counsel also offers comments about specific provisions of the rules.

RESPONSE: The commission thanks Public Counsel for its general comments. The commission will attempt to balance the interests of telecommunications providers in having a streamlined regulatory process against the need to ensure that the USF programs are run efficiently and Missouri consumers are protected. The commission will address Public Counsel's specific comments in the appropriate rulemaking.

COMMENT #8: Staff explains that the provisions of this rule have been updated and consolidated in 4 CSR 240-31.120. As a result, this rule is no longer needed and can be rescinded. No other commenter addressed the rescission of this rule.

RESPONSE: The commission will proceed with the rescission.

Title 4—DEPARTMENT OF ECONOMIC DEVELOPMENT Division 240—Public Service Commission Chapter 31—Universal Service

ORDER OF RULEMAKING

By the authority vested in the Public Service Commission under section 392.200, RSMo Supp. 2013, and sections 392.248 and 392.470.1, RSMo 2000, the commission amends a rule as follows:

4 CSR 240-31.060 is amended.

A notice of proposed rulemaking containing the text of the proposed amendment was published in the *Missouri Register* on September 16, 2013 (38 MoReg 1466-1467). Those sections with changes have been reprinted here. This proposed amendment becomes effective thirty (30) days after publication in the *Code of State Regulations*.

SUMMARY OF COMMENTS: The public comment period ended October 16, 2013, and the commission held a public hearing on the proposed amendment on October 21, 2013. The commission received timely written comments from the staff of the Missouri Public Service Commission; the Missouri Cable Telecommunications Association (MCTA); Southwestern Bell Telephone Company, d/b/a AT&T Missouri; CenturyTel of Missouri, LLC d/b/a CenturyLink, Embarq Missouri, Inc., d/b/a CenturyLink, Spectra Communications Group, LLC d/b/a CenturyLink, and CenturyTel of Northwest Arkansas, d/b/a CenturyLink (collectively CenturyLink); Cricket Communications, Inc.; and the Small Telephone Company Group and the Missouri Independent Telephone Company Group (collectively STCG). In addition, the following people offered comments at the hearing: Christina Baker, representing the Office of the Public Counsel; Barbara Meisenheimer, on behalf of the Office of the Public Counsel; Stephanie Bell, representing MCTA; Ken Woods, on behalf of MCTA; Bob Gryzmala, representing AT&T Missouri; Becky Kilpatrick, representing CenturyLink; Bill Steinmeier, representing Cricket; Brian McCartney, representing STCG; Colleen Dale, representing the staff

of the Missouri Public Service Commission; and Natelle Dietrich, on behalf of the staff.

The commission considered this particular rule in conjunction with fourteen (14) other rules affecting telecommunications and the Missouri Universal Service Fund. Not all persons offering comments addressed this particular rule.

COMMENT #1: The commission's staff indicated it has attempted to review all commission rules relating to ETCs and the MoUSF. Most of those rules have not been revised since they were created in 1998. Aside from the need to update the rules, revisions are necessary to bring the state rules in line with recent changes to the federal USF and Lifeline programs. Staff proposed these rulemakings to accomplish five (5) objectives:

1. Consolidate within one (1) chapter of the Missouri rules all requirements pertaining to Eligible Telecommunications Carriers (ETCs) and the Missouri Universal Service Fund (MoUSF);
2. Rescind high-cost support rules;
3. Clarify and codify existing MoUSF Board responsibilities and procedures;
4. Update and clarify Lifeline program requirements; and
5. Update and clarify ETC requirements.

Staff said there are approximately seventy (70) landline and wireless companies in Missouri with ETC status. Companies with ETC status may receive USF funding for participation in the high-cost program or the Lifeline program, or both. The federal USF high-cost program provides financial support to an ETC for the provisioning of voice or broadband service, or both, to high-cost areas. The MoUSF does not currently offer high-cost support. The federal Lifeline program provides similar support to companies for the provision of discounted voice service to qualifying low-income customers. The MoUSF provides financial support to landline phone providers for service to qualifying low-income and disabled customers.

State commissions are responsible under federal law for determining which telecommunications companies may be designated as an ETC in their states. In addition, the state commissions are responsible for an annual certification process to allow ETCs to continue to receive high-cost support.

Federal high-cost programs and the Lifeline program have recently been subject to intense criticism and the Federal Communications Commission (FCC) has implemented significant reforms in those programs. The state commissions also have authority to impose additional state-specific requirements on ETCs to ensure compliance with state Lifeline programs so long as those additional requirements do not conflict with federal requirements.

RESPONSE: The commission thanks its staff for its general comments. The commission will address staff's comments about specific rule provisions in the appropriate rulemaking.

COMMENT #2: The MCTA generally supports the commission's efforts to revise these rules. In particular, it supports the proposed deletion of rules relating to the high-cost component of the MoUSF in recognition of the fact that no such support is currently authorized and is unlikely to be authorized in the future. The MCTA also offered comments about specific provisions of the rules.

RESPONSE: The commission thanks the MCTA for its general comments and will address its comments about specific rule provisions in the appropriate rulemaking.

COMMENT #3: AT&T Missouri is critical of many aspects of the proposed rule changes. As part of a large company operating in many states, AT&T Missouri wants to see Missouri's rules closely adhere to federal standards imposed by the FCC. AT&T Missouri is concerned that additional state requirements would unnecessarily impose additional regulatory burdens.

AT&T Missouri also explains that recent federal regulatory efforts in this area have been focused on the Connect America Fund (CAF) which is aimed at providing high-cost universal service support for

increasing broadband availability in areas lacking a private sector business case for broadband deployment. AT&T Missouri warns against erecting state regulatory barriers to the acceptance of CAF funds to provide service to Missouri customers.

AT&T offered numerous comments about specific provisions of the rules.

RESPONSE: The commission thanks AT&T Missouri for its general comments. The commission will attempt to balance the interests of telecommunications providers in having a streamlined regulatory process against the need to ensure that the USF programs are run efficiently. The commission will address AT&T Missouri's comments about specific rule provisions in the appropriate rulemaking.

COMMENT #4: CenturyLink generally urges the commission to retain its current rules regarding potential high-cost support from the MoUSF as such support is still authorized by Missouri statute, even though no such program has been established. Furthermore, CenturyLink asks the commission to ensure that the standards imposed by its rules are aligned with and not in excess of those imposed by the FCC. CenturyLink also offered comments about specific provisions of the rules.

RESPONSE: The commission thanks CenturyLink for its general comments. The commission will attempt to balance the interests of telecommunications providers in having a streamlined regulatory process against the need to ensure that the USF programs are run efficiently and Missouri consumers are protected. The commission will address CenturyLink's comments about specific rule provisions in the appropriate rulemaking.

COMMENT #5: Cricket is primarily concerned about the use of electronic forms to collect applications from customers and offers specific comments in that regard.

RESPONSE: The commission thanks Cricket for its general comments and will address its specific comments in the appropriate rulemaking.

COMMENT #6: STCG represents Missouri's small, mostly rural incumbent telephone companies. STCG would like the commission to consider creation of a state high-cost USF fund. For that reason it asks the commission to retain a portion of the rules relating to such a fund. STCG also offers comments about specific provisions of the rules.

RESPONSE: The commission thanks STCG for its general comments and will address its specific comments in the appropriate rulemaking.

COMMENT #7: Public Counsel reminds the commission that it has a statutory obligation to preserve and advance universal service in this state. To that end, Public Counsel urges the commission to protect elements of such service, such as interexchange service, access to directory assistance, and access to operator services, rather than merely seeking to align Missouri rules with those offered by the FCC. Public Counsel also offers comments about specific provisions of the rules.

RESPONSE: The commission thanks Public Counsel for its general comments. The commission will attempt to balance the interests of telecommunications providers in having a streamlined regulatory process against the need to ensure that the USF programs are run efficiently and Missouri consumers are protected. The commission will address Public Counsel's specific comments in the appropriate rulemaking.

COMMENT #8: Subsection (3)(A) as published in the *Missouri Register* requires "certificated" telecommunication companies to certify their revenue for purposes of determining the amount of their MoUSF assessment. AT&T Missouri suggests the word "certificated" be removed from that requirement because AT&T Missouri operates under a state charter rather than a certificate and should not be

excluded from paying a MoUSF assessment.

RESPONSE AND EXPLANATION OF CHANGE: The commission will remove the word "certificated" from subsection (3)(A).

COMMENT #9: Subsection (4)(A) as published in the *Missouri Register* requires carriers subject to a MoUSF assessment to place a surcharge on their customer's bill to collect that surcharge. Staff proposes to add a sentence to that subsection to allow a company with *de minimis* revenues to begin assessing the surcharge sixty (60) days after it meets a twenty-four thousand dollar (\$24,000) net jurisdictional threshold. No other commenter addressed staff's proposed change.

MCTA comments that both subsection (4)(A) and (4)(D) require a carrier to recover its MoUSF assessment from its customers by collecting a surcharge. MCTA contends the carriers should be allowed the discretion to recover its assessment by some other means if it chooses to do so. Staff replied to MCTA's suggestion indicating that it does not object to making recovery through a surcharge optional. However, staff does object to the language proposed by MCTA that would allow the carrier to recover the assessment through a line item identified only as a "state regulatory fee or charge." Staff is concerned that an inexact description in the customer's bill can be used to obscure the source of other charges imposed on the customer.

RESPONSE AND EXPLANATION OF CHANGE: The commission will add the sentence about *de minimis* revenues proposed by staff. MCTA's proposal to make collection of the MoUSF assessment by a surcharge optional will allow these competitive companies the flexibility to collect that assessment from their customers in whatever way they choose. That is reasonable and the commission will make that change. However, staff's concerns about proper description of the surcharge is also important. The commission will modify the language proposed by MCTA to ensure that the surcharge is properly described.

COMMENT #10: MCTA suggests that subsection (5)(B) be modified to retain the language in the current rule that allows for quarterly remittances to the fund administrator as an option to monthly remittances. MCTA also proposes grammatical changes in paragraphs (5)(A)1. and 2.

RESPONSE AND EXPLANATION OF CHANGE: The grammatical changes suggested by MCTA are appropriate and will be adopted. However, the concern about quarterly remittances is puzzling. The current rule and the amendment as published in the *Missouri Register* already allow for quarterly remittances. Further, the language proposed by MCTA is exactly the same as the amended language published in the *Missouri Register*. As a result, no other change in the published amendment is necessary.

4 CSR 240-31.060 The MoUSF Assessment

(3) Assessment Level.

(A) In February each year, the MoUSFA shall issue a form on which each registered IVoIP provider and telecommunications company shall certify the company's Missouri net jurisdictional revenues for the prior calendar year.

(4) Collection of MoUSF Assessment from Customers. If an assessable carrier chooses to recover its MoUSF assessment through a line item on a retail end-user customers' bill, then—

(A) The surcharge shall equal the percentage assessment ordered by the commission;

(B) The surcharge shall be detailed as Missouri Universal Service Fund;

(C) The surcharge percentage shall be applied to each customer's total charges associated with the carrier's net jurisdictional revenues; and

(D) A company with *de minimis* revenues may begin assessing the surcharge within sixty (60) days of meeting the twenty-four thousand

dollar (\$24,000) net jurisdictional revenue threshold.

(5) Remitting MoUSF Assessments.

(A) All assessable carriers shall remit in either of the following methods:

1. A carrier may remit all funds received as a result of the application of the surcharge as provided in (4) above, in full satisfaction of the carrier's annual percentage assessment; or

2. A carrier may remit an amount based solely on applying the percentage assessment to the carrier's Missouri net jurisdictional revenue. If this method is used, no refunds shall be given if a carrier subsequently finds it remitted more than it collected.

Title 4—DEPARTMENT OF ECONOMIC DEVELOPMENT

Division 240—Public Service Commission Chapter 31—Universal Service

ORDER OF RULEMAKING

By the authority vested in the Public Service Commission under sections 392.200, 392.248, and 392.470, RSMo 2000, the commission rescinds a rule as follows:

4 CSR 240-31.065 Collection of MoUSF Surcharge from End-User Subscribers is rescinded.

A notice of proposed rulemaking containing the proposed rescission was published in the *Missouri Register* on September 16, 2013 (38 MoReg 1467-1468). No changes have been made in the proposed rescission, so it is not reprinted here. This proposed rescission becomes effective thirty (30) days after publication in the *Code of State Regulations*.

SUMMARY OF COMMENTS: The public comment period ended October 16, 2013, and the commission held a public hearing on the proposed rescission on October 21, 2013. The commission received timely written comments from the staff of the Missouri Public Service Commission; the Missouri Cable Telecommunications Association (MCTA); Southwestern Bell Telephone Company, d/b/a AT&T Missouri; CenturyTel of Missouri, LLC d/b/a CenturyLink, Embarq Missouri, Inc., d/b/a CenturyLink, Spectra Communications Group, LLC d/b/a CenturyLink, and CenturyTel of Northwest Arkansas, d/b/a CenturyLink (collectively CenturyLink); Cricket Communications, Inc.; and the Small Telephone Company Group and the Missouri Independent Telephone Company Group (collectively STCG). In addition, the following people offered comments at the hearing: Christina Baker, representing the Office of the Public Counsel; Barbara Meisenheimer, on behalf of the Office of the Public Counsel; Stephanie Bell, representing MCTA; Ken Woods, on behalf of MCTA; Bob Gryzmala, representing AT&T Missouri; Becky Kilpatrick, representing CenturyLink; Bill Steinmeier, representing Cricket; Brian McCartney, representing STCG; Colleen Dale, representing the staff of the Missouri Public Service Commission; and Natelle Dietrich, on behalf of the staff.

The commission considered this particular rule in conjunction with fourteen (14) other rules affecting telecommunications and the Missouri Universal Service Fund. Not all persons offering comments addressed this particular rule.

COMMENT #1: The commission's staff indicated it has attempted to review all commission rules relating to ETCs and the MoUSF. Most of those rules have not been revised since they were created in 1998. Aside from the need to update the rules, revisions are necessary to bring the state rules in line with recent changes to the federal USF and Lifeline programs. Staff proposed these rulemakings to accomplish five (5) objectives:

1. Consolidate within one (1) chapter of the Missouri rules all requirements pertaining to Eligible Telecommunications Carriers (ETCs) and the Missouri Universal Service Fund (MoUSF);

2. Rescind high-cost support rules;

3. Clarify and codify existing MoUSF Board responsibilities and procedures;

4. Update and clarify Lifeline program requirements; and

5. Update and clarify ETC requirements.

Staff said there are approximately seventy (70) landline and wireless companies in Missouri with ETC status. Companies with ETC status may receive USF funding for participation in the high-cost program or the Lifeline program, or both. The federal USF high-cost program provides financial support to an ETC for the provisioning of voice or broadband service, or both, to high-cost areas. The MoUSF does not currently offer high-cost support. The federal Lifeline program provides similar support to companies for the provision of discounted voice service to qualifying low-income customers. The MoUSF provides financial support to landline phone providers for service to qualifying low-income and disabled customers.

State commissions are responsible under federal law for determining which telecommunications companies may be designated as an ETC in their states. In addition, the state commissions are responsible for an annual certification process to allow ETCs to continue to receive high-cost support.

Federal high-cost programs and the Lifeline program have recently been subject to intense criticism and the Federal Communications Commission (FCC) has implemented significant reforms in those programs. The state commissions also have authority to impose additional state-specific requirements on ETCs to ensure compliance with state Lifeline programs so long as those additional requirements do not conflict with federal requirements.

RESPONSE: The commission thanks its staff for its general comments. The commission will address staff's comments about specific rule provisions in the appropriate rulemaking.

COMMENT #2: The MCTA generally supports the commission's efforts to revise these rules. In particular, it supports the proposed deletion of rules relating to the high-cost component of the MoUSF in recognition of the fact that no such support is currently authorized and is unlikely to be authorized in the future. The MCTA also offered comments about specific provisions of the rules.

RESPONSE: The commission thanks the MCTA for its general comments and will address its comments about specific rule provisions in the appropriate rulemaking.

COMMENT #3: AT&T Missouri is critical of many aspects of the proposed rule changes. As part of a large company operating in many states, AT&T Missouri wants to see Missouri's rules closely adhere to federal standards imposed by the FCC. AT&T Missouri is concerned that additional state requirements would unnecessarily impose additional regulatory burdens.

AT&T Missouri also explains that recent federal regulatory efforts in this area have been focused on the Connect America Fund (CAF) which is aimed at providing high-cost universal service support for increasing broadband availability in areas lacking a private sector business case for broadband deployment. AT&T Missouri warns against erecting state regulatory barriers to the acceptance of CAF funds to provide service to Missouri customers.

AT&T offered numerous comments about specific provisions of the rules.

RESPONSE: The commission thanks AT&T Missouri for its general comments. The commission will attempt to balance the interests of telecommunications providers in having a streamlined regulatory process against the need to ensure that the USF programs are run efficiently. The commission will address AT&T Missouri's comments about specific rule provisions in the appropriate rulemaking.

COMMENT #4: CenturyLink generally urges the commission to

retain its current rules regarding potential high-cost support from the MoUSF as such support is still authorized by Missouri statute, even though no such program has been established. Furthermore, CenturyLink asks the commission to ensure that the standards imposed by its rules are aligned with and not in excess of those imposed by the FCC. CenturyLink also offered comments about specific provisions of the rules.

RESPONSE: The commission thanks CenturyLink for its general comments. The commission will attempt to balance the interests of telecommunications providers in having a streamlined regulatory process against the need to ensure that the USF programs are run efficiently and Missouri consumers are protected. The commission will address CenturyLink's comments about specific rule provisions in the appropriate rulemaking.

COMMENT #5: Cricket is primarily concerned about the use of electronic forms to collect applications from customers and offers specific comments in that regard.

RESPONSE: The commission thanks Cricket for its general comments and will address its specific comments in the appropriate rulemaking.

COMMENT #6: STCG represents Missouri's small, mostly rural incumbent telephone companies. STCG would like the commission to consider creation of a state high-cost USF fund. For that reason it asks the commission to retain a portion of the rules relating to such a fund. STCG also offers comments about specific provisions of the rules.

RESPONSE: The commission thanks STCG for its general comments and will address its specific comments in the appropriate rulemaking.

COMMENT #7: Public Counsel reminds the commission that it has a statutory obligation to preserve and advance universal service in this state. To that end, Public Counsel urges the commission to protect elements of such service, such as interexchange service, access to directory assistance, and access to operator services, rather than merely seeking to align Missouri rules with those offered by the FCC. Public Counsel also offers comments about specific provisions of the rules.

RESPONSE: The commission thanks Public Counsel for its general comments. The commission will attempt to balance the interests of telecommunications providers in having a streamlined regulatory process against the need to ensure that the USF programs are run efficiently and Missouri consumers are protected. The commission will address Public Counsel's specific comments in the appropriate rulemaking.

COMMENT #8: Staff explains that the provisions of this rule have been updated and consolidated in 4 CSR 240-31.060. As a result, this rule is no longer needed and can be rescinded. No other commenter addressed the rescission of this rule.

RESPONSE: The commission will proceed with the rescission.

**Title 4—DEPARTMENT OF ECONOMIC
DEVELOPMENT
Division 240—Public Service Commission
Chapter 31—Universal Service**

ORDER OF RULEMAKING

By the authority vested in the Public Service Commission under sections 392.200, 392.248, and 392.470, RSMo 2000, the commission rescinds a rule as follows:

4 CSR 240-31.070 Receipt of MoUSF Funds is rescinded.

A notice of proposed rulemaking containing the proposed rescission was published in the *Missouri Register* on September 16, 2013 (38 MoReg 1468). No changes have been made in the proposed rescission, so it is not reprinted here. This proposed rescission becomes effective thirty (30) days after publication in the *Code of State Regulations*.

SUMMARY OF COMMENTS: The public comment period ended October 16, 2013, and the commission held a public hearing on the proposed rescission on October 21, 2013. The commission received timely written comments from the staff of the Missouri Public Service Commission; the Missouri Cable Telecommunications Association (MCTA); Southwestern Bell Telephone Company, d/b/a AT&T Missouri; CenturyTel of Missouri, LLC d/b/a CenturyLink, Embark Missouri, Inc., d/b/a CenturyLink, Spectra Communications Group, LLC d/b/a CenturyLink, and CenturyTel of Northwest Arkansas, d/b/a CenturyLink (collectively CenturyLink); Cricket Communications, Inc.; and the Small Telephone Company Group and the Missouri Independent Telephone Company Group (collectively STCG). In addition, the following people offered comments at the hearing: Christina Baker, representing the Office of the Public Counsel; Barbara Meisenheimer, on behalf of the Office of the Public Counsel; Stephanie Bell, representing MCTA; Ken Woods, on behalf of MCTA; Bob Gryzmala, representing AT&T Missouri; Becky Kilpatrick, representing CenturyLink; Bill Steinmeier, representing Cricket; Brian McCartney, representing STCG; Colleen Dale, representing the staff of the Missouri Public Service Commission; and Natelle Dietrich, on behalf of the staff.

The commission considered this particular rule in conjunction with fourteen (14) other rules affecting telecommunications and the Missouri Universal Service Fund. Not all persons offering comments addressed this particular rule.

COMMENT #1: The commission's staff indicated it has attempted to review all commission rules relating to ETCs and the MoUSF. Most of those rules have not been revised since they were created in 1998. Aside from the need to update the rules, revisions are necessary to bring the state rules in line with recent changes to the federal USF and Lifeline programs. Staff proposed these rulemakings to accomplish five (5) objectives:

1. Consolidate within one (1) chapter of the Missouri rules all requirements pertaining to Eligible Telecommunications Carriers (ETCs) and the Missouri Universal Service Fund (MoUSF);
2. Rescind high-cost support rules;
3. Clarify and codify existing MoUSF Board responsibilities and procedures;
4. Update and clarify Lifeline program requirements; and
5. Update and clarify ETC requirements.

Staff said there are approximately seventy (70) landline and wireless companies in Missouri with ETC status. Companies with ETC status may receive USF funding for participation in the high-cost program or the Lifeline program, or both. The federal USF high-cost program provides financial support to an ETC for the provisioning of voice or broadband service, or both, to high-cost areas. The MoUSF does not currently offer high-cost support. The federal Lifeline program provides similar support to companies for the provision of discounted voice service to qualifying low-income customers. The MoUSF provides financial support to landline phone providers for service to qualifying low-income and disabled customers.

State commissions are responsible under federal law for determining which telecommunications companies may be designated as an ETC in their states. In addition, the state commissions are responsible for an annual certification process to allow ETCs to continue to receive high-cost support.

Federal high-cost programs and the Lifeline program have recently been subject to intense criticism and the Federal Communications Commission (FCC) has implemented significant reforms in those programs. The state commissions also have authority to impose

additional state-specific requirements on ETCs to ensure compliance with state Lifeline programs so long as those additional requirements do not conflict with federal requirements.

RESPONSE: The commission thanks its staff for its general comments. The commission will address staff's comments about specific rule provisions in the appropriate rulemaking.

COMMENT #2: The MCTA generally supports the commission's efforts to revise these rules. In particular, it supports the proposed deletion of rules relating to the high-cost component of the MoUSF in recognition of the fact that no such support is currently authorized and is unlikely to be authorized in the future. The MCTA also offered comments about specific provisions of the rules.

RESPONSE: The commission thanks the MCTA for its general comments and will address its comments about specific rule provisions in the appropriate rulemaking.

COMMENT #3: AT&T Missouri is critical of many aspects of the proposed rule changes. As part of a large company operating in many states, AT&T Missouri wants to see Missouri's rules closely adhere to federal standards imposed by the FCC. AT&T Missouri is concerned that additional state requirements would unnecessarily impose additional regulatory burdens.

AT&T Missouri also explains that recent federal regulatory efforts in this area have been focused on the Connect America Fund (CAF) which is aimed at providing high-cost universal service support for increasing broadband availability in areas lacking a private sector business case for broadband deployment. AT&T Missouri warns against erecting state regulatory barriers to the acceptance of CAF funds to provide service to Missouri customers.

AT&T offered numerous comments about specific provisions of the rules.

RESPONSE: The commission thanks AT&T Missouri for its general comments. The commission will attempt to balance the interests of telecommunications providers in having a streamlined regulatory process against the need to ensure that the USF programs are run efficiently. The commission will address AT&T Missouri's comments about specific rule provisions in the appropriate rulemaking.

COMMENT #4: CenturyLink generally urges the commission to retain its current rules regarding potential high-cost support from the MoUSF as such support is still authorized by Missouri statute, even though no such program has been established. Furthermore, CenturyLink asks the commission to ensure that the standards imposed by its rules are aligned with and not in excess of those imposed by the FCC. CenturyLink also offered comments about specific provisions of the rules.

RESPONSE: The commission thanks CenturyLink for its general comments. The commission will attempt to balance the interests of telecommunications providers in having a streamlined regulatory process against the need to ensure that the USF programs are run efficiently and Missouri consumers are protected. The commission will address CenturyLink's comments about specific rule provisions in the appropriate rulemaking.

COMMENT #5: Cricket is primarily concerned about the use of electronic forms to collect applications from customers and offers specific comments in that regard.

RESPONSE: The commission thanks Cricket for its general comments and will address its specific comments in the appropriate rulemaking.

COMMENT #6: STCG represents Missouri's small, mostly rural incumbent telephone companies. STCG would like the commission to consider creation of a state high-cost USF fund. For that reason it asks the commission to retain a portion of the rules relating to such a fund. STCG also offers comments about specific provisions of the rules.

RESPONSE: The commission thanks STCG for its general comments and will address its specific comments in the appropriate rulemaking.

COMMENT #7: Public Counsel reminds the commission that it has a statutory obligation to preserve and advance universal service in this state. To that end, Public Counsel urges the commission to protect elements of such service, such as interexchange service, access to directory assistance, and access to operator services, rather than merely seeking to align Missouri rules with those offered by the FCC. Public Counsel also offers comments about specific provisions of the rules.

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COMMENT #8: Staff explains that the provisions of this rule have been updated and consolidated in 4 CSR 240-31.060. As a result, this rule is no longer needed and can be rescinded. No other commenter addressed the rescission of this rule.

RESPONSE: The commission will proceed with the rescission.

Title 4—DEPARTMENT OF ECONOMIC DEVELOPMENT

Division 240—Public Service Commission Chapter 31—Universal Service

ORDER OF RULEMAKING

By the authority vested in the Public Service Commission under sections 392.200, 392.248, and 392.470, RSMo 2000, the commission rescinds a rule as follows:

4 CSR 240-31.080 Applications for MoUSF Funds is rescinded.

A notice of proposed rulemaking containing the proposed rescission was published in the *Missouri Register* on September 16, 2013 (38 MoReg 1468). No changes have been made in the proposed rescission, so it is not reprinted here. This proposed rescission becomes effective thirty (30) days after publication in the *Code of State Regulations*.

SUMMARY OF COMMENTS: The public comment period ended October 16, 2013, and the commission held a public hearing on the proposed rescission on October 21, 2013. The commission received timely written comments from the staff of the Missouri Public Service Commission; the Missouri Cable Telecommunications Association (MCTA); Southwestern Bell Telephone Company, d/b/a AT&T Missouri; CenturyTel of Missouri, LLC d/b/a CenturyLink, Embarq Missouri, Inc., d/b/a CenturyLink, Spectra Communications Group, LLC d/b/a CenturyLink, and CenturyTel of Northwest Arkansas, d/b/a CenturyLink (collectively CenturyLink); Cricket Communications, Inc.; and the Small Telephone Company Group and the Missouri Independent Telephone Company Group (collectively STCG). In addition, the following people offered comments at the hearing: Christina Baker, representing the Office of the Public Counsel; Barbara Meisenheimer, on behalf of the Office of the Public Counsel; Stephanie Bell, representing MCTA; Ken Woods, on behalf of MCTA; Bob Gryzmala, representing AT&T Missouri; Becky Kilpatrick, representing CenturyLink; Bill Steinmeier, representing Cricket; Brian McCartney, representing STCG; Colleen Dale, representing the staff of the Missouri Public Service Commission; and Natelle Dietrich, on behalf of the staff.

The commission considered this particular rule in conjunction with fourteen (14) other rules affecting telecommunications and the Missouri Universal Service Fund. Not all persons offering comments addressed this particular rule.

COMMENT #1: The commission's staff indicated it has attempted to review all commission rules relating to ETCs and the MoUSF. Most of those rules have not been revised since they were created in 1998. Aside from the need to update the rules, revisions are necessary to bring the state rules in line with recent changes to the federal USF and Lifeline programs. Staff proposed these rulemakings to accomplish five (5) objectives:

1. Consolidate within one (1) chapter of the Missouri rules all requirements pertaining to Eligible Telecommunications Carriers (ETCs) and the Missouri Universal Service Fund (MoUSF);
2. Rescind high-cost support rules;
3. Clarify and codify existing MoUSF Board responsibilities and procedures;
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Staff said there are approximately seventy (70) landline and wireless companies in Missouri with ETC status. Companies with ETC status may receive USF funding for participation in the high-cost program or the Lifeline program, or both. The federal USF high-cost program provides financial support to an ETC for the provisioning of voice or broadband service, or both, to high-cost areas. The MoUSF does not currently offer high-cost support. The federal Lifeline program provides similar support to companies for the provision of discounted voice service to qualifying low-income customers. The MoUSF provides financial support to landline phone providers for service to qualifying low-income and disabled customers.

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RESPONSE: The commission thanks its staff for its general comments. The commission will address staff's comments about specific rule provisions in the appropriate rulemaking.

COMMENT #2: The MCTA generally supports the commission's efforts to revise these rules. In particular, it supports the proposed deletion of rules relating to the high-cost component of the MoUSF in recognition of the fact that no such support is currently authorized and is unlikely to be authorized in the future. The MCTA also offered comments about specific provisions of the rules.

RESPONSE: The commission thanks the MCTA for its general comments and will address its comments about specific rule provisions in the appropriate rulemaking.

COMMENT #3: AT&T Missouri is critical of many aspects of the proposed rule changes. As part of a large company operating in many states, AT&T Missouri wants to see Missouri's rules closely adhere to federal standards imposed by the FCC. AT&T Missouri is concerned that additional state requirements would unnecessarily impose additional regulatory burdens.

AT&T Missouri also explains that recent federal regulatory efforts in this area have been focused on the Connect America Fund (CAF) which is aimed at providing high-cost universal service support for increasing broadband availability in areas lacking a private sector business case for broadband deployment. AT&T Missouri warns

against erecting state regulatory barriers to the acceptance of CAF funds to provide service to Missouri customers.

AT&T offered numerous comments about specific provisions of the rules.

RESPONSE: The commission thanks AT&T Missouri for its general comments. The commission will attempt to balance the interests of telecommunications providers in having a streamlined regulatory process against the need to ensure that the USF programs are run efficiently. The commission will address AT&T Missouri's comments about specific rule provisions in the appropriate rulemaking.

COMMENT #4: CenturyLink generally urges the commission to retain its current rules regarding potential high-cost support from the MoUSF as such support is still authorized by Missouri statute, even though no such program has been established. Furthermore, CenturyLink asks the commission to ensure that the standards imposed by its rules are aligned with and not in excess of those imposed by the FCC. CenturyLink also offered comments about specific provisions of the rules.

RESPONSE: The commission thanks CenturyLink for its general comments. The commission will attempt to balance the interests of telecommunications providers in having a streamlined regulatory process against the need to ensure that the USF programs are run efficiently and Missouri consumers are protected. The commission will address CenturyLink's comments about specific rule provisions in the appropriate rulemaking.

COMMENT #5: Cricket is primarily concerned about the use of electronic forms to collect applications from customers and offers specific comments in that regard.

RESPONSE: The commission thanks Cricket for its general comments and will address its specific comments in the appropriate rulemaking.

COMMENT #6: STCG represents Missouri's small, mostly rural incumbent telephone companies. STCG would like the commission to consider creation of a state high-cost USF fund. For that reason it asks the commission to retain a portion of the rules relating to such a fund. STCG also offers comments about specific provisions of the rules.

RESPONSE: The commission thanks STCG for its general comments and will address its specific comments in the appropriate rulemaking.

COMMENT #7: Public Counsel reminds the commission that it has a statutory obligation to preserve and advance universal service in this state. To that end, Public Counsel urges the commission to protect elements of such service, such as interexchange service, access to directory assistance, and access to operator services, rather than merely seeking to align Missouri rules with those offered by the FCC. Public Counsel also offers comments about specific provisions of the rules.

RESPONSE: The commission thanks Public Counsel for its general comments. The commission will attempt to balance the interests of telecommunications providers in having a streamlined regulatory process against the need to ensure that the USF programs are run efficiently and Missouri consumers are protected. The commission will address Public Counsel's specific comments in the appropriate rulemaking.

COMMENT #8: Staff explains that some of the provisions of this rule have been updated and consolidated into other rules. Other provisions are outdated and no longer needed. As a result, this rule can be rescinded. No other commenter addressed the rescission of this rule.

RESPONSE: The commission will proceed with the rescission.

**Title 4—DEPARTMENT OF ECONOMIC
DEVELOPMENT
Division 240—Public Service Commission
Chapter 31—Universal Service**

ORDER OF RULEMAKING

By the authority vested in the Public Service Commission under section 392.200, RSMo Supp. 2013, and sections 392.248 and 392.470.1, RSMo 2000, the commission amends a rule as follows:

4 CSR 240-31.090 is amended.

A notice of proposed rulemaking containing the text of the proposed amendment was published in the *Missouri Register* on September 16, 2013 (38 MoReg 1468-1469). Those sections with changes have been reprinted here. This proposed amendment becomes effective thirty (30) days after publication in the *Code of State Regulations*.

SUMMARY OF COMMENTS: The public comment period ended October 16, 2013, and the commission held a public hearing on the proposed amendment on October 21, 2013. The commission received timely written comments from the staff of the Missouri Public Service Commission; the Missouri Cable Telecommunications Association (MCTA); Southwestern Bell Telephone Company, d/b/a AT&T Missouri; CenturyTel of Missouri, LLC d/b/a CenturyLink, Embarq Missouri, Inc., d/b/a CenturyLink, Spectra Communications Group, LLC d/b/a CenturyLink, and CenturyTel of Northwest Arkansas, d/b/a CenturyLink (collectively CenturyLink); Cricket Communications, Inc.; and the Small Telephone Company Group and the Missouri Independent Telephone Company Group (collectively STCG). In addition, the following people offered comments at the hearing: Christina Baker, representing the Office of the Public Counsel; Barbara Meisenheimer, on behalf of the Office of the Public Counsel; Stephanie Bell, representing MCTA; Ken Woods, on behalf of MCTA; Bob Gryzmala, representing AT&T Missouri; Becky Kilpatrick, representing CenturyLink; Bill Steinmeier, representing Cricket; Brian McCartney, representing STCG; Colleen Dale, representing the staff of the Missouri Public Service Commission; and Natelle Dietrich, on behalf of the staff.

The commission considered this particular rule in conjunction with fourteen (14) other rules affecting telecommunications and the Missouri Universal Service Fund. Not all persons offering comments addressed this particular rule.

COMMENT #1: The commission's staff indicated it has attempted to review all commission rules relating to ETCs and the MoUSF. Most of those rules have not been revised since they were created in 1998. Aside from the need to update the rules, revisions are necessary to bring the state rules in line with recent changes to the federal USF and Lifeline programs. Staff proposed these rulemakings to accomplish five (5) objectives:

1. Consolidate within one (1) chapter of the Missouri rules all requirements pertaining to Eligible Telecommunications Carriers (ETCs) and the Missouri Universal Service Fund (MoUSF);
2. Rescind high-cost support rules;
3. Clarify and codify existing MoUSF Board responsibilities and procedures;
4. Update and clarify Lifeline program requirements; and
5. Update and clarify ETC requirements.

Staff said there are approximately seventy (70) landline and wireless companies in Missouri with ETC status. Companies with ETC status may receive USF funding for participation in the high-cost program or the Lifeline program, or both. The federal USF high-cost program provides financial support to an ETC for the provisioning of voice or broadband service, or both, to high-cost areas. The MoUSF does not currently offer high-cost support. The federal Lifeline program provides similar support to companies for the provision of dis-

counted voice service to qualifying low-income customers. The MoUSF provides financial support to landline phone providers for service to qualifying low-income and disabled customers.

State commissions are responsible under federal law for determining which telecommunications companies may be designated as an ETC in their states. In addition, the state commissions are responsible for an annual certification process to allow ETCs to continue to receive high-cost support.

Federal high-cost programs and the Lifeline program have recently been subject to intense criticism and the Federal Communications Commission (FCC) has implemented significant reforms in those programs. The state commissions also have authority to impose additional state-specific requirements on ETCs to ensure compliance with state Lifeline programs so long as those additional requirements do not conflict with federal requirements.

RESPONSE: The commission thanks its staff for its general comments. The commission will address staff's comments about specific rule provisions in the appropriate rulemaking.

COMMENT #2: The MCTA generally supports the commission's efforts to revise these rules. In particular, it supports the proposed deletion of rules relating to the high-cost component of the MoUSF in recognition of the fact that no such support is currently authorized and is unlikely to be authorized in the future. The MCTA also offered comments about specific provisions of the rules.

RESPONSE: The commission thanks the MCTA for its general comments and will address its comments about specific rule provisions in the appropriate rulemaking.

COMMENT #3: AT&T Missouri is critical of many aspects of the proposed rule changes. As part of a large company operating in many states, AT&T Missouri wants to see Missouri's rules closely adhere to federal standards imposed by the FCC. AT&T Missouri is concerned that additional state requirements would unnecessarily impose additional regulatory burdens.

AT&T Missouri also explains that recent federal regulatory efforts in this area have been focused on the Connect America Fund (CAF) which is aimed at providing high-cost universal service support for increasing broadband availability in areas lacking a private sector business case for broadband deployment. AT&T Missouri warns against erecting state regulatory barriers to the acceptance of CAF funds to provide service to Missouri customers.

AT&T offered numerous comments about specific provisions of the rules.

RESPONSE: The commission thanks AT&T Missouri for its general comments. The commission will attempt to balance the interests of telecommunications providers in having a streamlined regulatory process against the need to ensure that the USF programs are run efficiently. The commission will address AT&T Missouri's comments about specific rule provisions in the appropriate rulemaking.

COMMENT #4: CenturyLink generally urges the commission to retain its current rules regarding potential high-cost support from the MoUSF as such support is still authorized by Missouri statute, even though no such program has been established. Furthermore, CenturyLink asks the commission to ensure that the standards imposed by its rules are aligned with and not in excess of those imposed by the FCC. CenturyLink also offered comments about specific provisions of the rules.

RESPONSE: The commission thanks CenturyLink for its general comments. The commission will attempt to balance the interests of telecommunications providers in having a streamlined regulatory process against the need to ensure that the USF programs are run efficiently and Missouri consumers are protected. The commission will address CenturyLink's comments about specific rule provisions in the appropriate rulemaking.

COMMENT #5: Cricket is primarily concerned about the use of

electronic forms to collect applications from customers and offers specific comments in that regard.

RESPONSE: The commission thanks Cricket for its general comments and will address its specific comments in the appropriate rule-making.

COMMENT #6: STCG represents Missouri's small, mostly rural incumbent telephone companies. STCG would like the commission to consider creation of a state high-cost USF fund. For that reason it asks the commission to retain a portion of the rules relating to such a fund. STCG also offers comments about specific provisions of the rules.

RESPONSE: The commission thanks STCG for its general comments and will address its specific comments in the appropriate rule-making.

COMMENT #7: Public Counsel reminds the commission that it has a statutory obligation to preserve and advance universal service in this state. To that end, Public Counsel urges the commission to protect elements of such service, such as interexchange service, access to directory assistance, and access to operator services, rather than merely seeking to align Missouri rules with those offered by the FCC. Public Counsel also offers comments about specific provisions of the rules.

RESPONSE: The commission thanks Public Counsel for its general comments. The commission will attempt to balance the interests of telecommunications providers in having a streamlined regulatory process against the need to ensure that the USF programs are run efficiently and Missouri consumers are protected. The commission will address Public Counsel's specific comments in the appropriate rulemaking.

COMMENT #8: Staff and STCG point to an error in section (1). In referring to ETCs, the word "Center" should be replaced with "Carriers."

RESPONSE AND EXPLANATION OF CHANGE: Staff and STCG are correct and the commission will replace "Center" with "Carriers."

COMMENT #9: The proposed amendment as published in the *Missouri Register* would delete section (4) of the existing rule, which indicates any interested entity that objects to a disbursement by the fund administrator may seek review of that disbursement by the board or the commission pursuant to 4 CSR 240-31.110. The MCTA asks the commission to leave that section in the rule to assure that interested entities may continue to object to and seek review of MoUSF disbursements.

RESPONSE: MCTA's concern is not warranted and section (4) of the existing rule is not needed. 4 CSR 240-31.110 continues to allow the board and the commission to review any action taken or decision issued by the fund administrator, now referred to as the MoUSFA. That regulation allows interested entities to object to and seek review of disbursements just as before. Section (4) of the existing 4 CSR 240-31.090 was merely an unnecessary reference to the other regulation and should be deleted.

4 CSR 240-31.090 Disbursements of MoUSF Funds

(1) Only Eligible Telecommunications Carriers (ETCs) certificated as a telecommunications company or registered as an Interconnected Voice over Internet Protocol (VoIP) provider are eligible to seek disbursements from the Missouri Universal Service Fund (MoUSF) by completing an Application for Support Eligibility form available on the MoUSF web site. A completed form must be submitted in a timely manner to the Missouri Universal Service Fund Administrator (MoUSFA). Failure to apply for support within three (3) months of provisioning service to the Lifeline or Disabled customer(s) shall

limit support to the amount requested or three hundred fifty dollars (\$350), whichever is less.

Title 4—DEPARTMENT OF ECONOMIC DEVELOPMENT

Division 240—Public Service Commission Chapter 31—Universal Service

ORDER OF RULEMAKING

By the authority vested in the Public Service Commission under sections 392.200, 392.248, and 392.470, RSMo 2000, the commission withdraws a proposed rescission as follows:

4 CSR 240-31.100 Review Procedures for Support Payments is withdrawn.

A notice of proposed rulemaking containing the proposed rescission was published in the *Missouri Register* on September 16, 2013 (38 MoReg 1469). This proposed rescission is withdrawn.

SUMMARY OF COMMENTS: The public comment period ended October 16, 2013, and the commission held a public hearing on the proposed rescission on October 21, 2013. The commission received timely written comments from the staff of the Missouri Public Service Commission; the Missouri Cable Telecommunications Association (MCTA); Southwestern Bell Telephone Company, d/b/a AT&T Missouri; CenturyTel of Missouri, LLC d/b/a CenturyLink, Embarq Missouri, Inc., d/b/a CenturyLink, Spectra Communications Group, LLC d/b/a CenturyLink, and CenturyTel of Northwest Arkansas, d/b/a CenturyLink (collectively CenturyLink); Cricket Communications, Inc.; and the Small Telephone Company Group and the Missouri Independent Telephone Company Group (collectively STCG). In addition, the following people offered comments at the hearing: Christina Baker, representing the Office of the Public Counsel; Barbara Meisenheimer, on behalf of the Office of the Public Counsel; Stephanie Bell, representing MCTA; Ken Woods, on behalf of MCTA; Bob Gryzmala, representing AT&T Missouri; Becky Kilpatrick, representing CenturyLink; Bill Steinmeier, representing Cricket; Brian McCartney, representing STCG; Colleen Dale, representing the staff of the Missouri Public Service Commission; and Natelle Dietrich, on behalf of the staff.

The commission considered this particular rule in conjunction with fourteen (14) other rules affecting telecommunications and the Missouri Universal Service Fund. Not all persons offering comments addressed this particular rule.

COMMENT #1: The commission's staff indicated it has attempted to review all commission rules relating to ETCs and the MoUSF. Most of those rules have not been revised since they were created in 1998. Aside from the need to update the rules, revisions are necessary to bring the state rules in line with recent changes to the federal USF and Lifeline programs. Staff proposed these rulemakings to accomplish five (5) objectives:

1. Consolidate within one (1) chapter of the Missouri rules all requirements pertaining to Eligible Telecommunications Carriers (ETCs) and the Missouri Universal Service Fund (MoUSF);
2. Rescind high-cost support rules;
3. Clarify and codify existing MoUSF Board responsibilities and procedures;
4. Update and clarify Lifeline program requirements; and
5. Update and clarify ETC requirements.

Staff said there are approximately seventy (70) landline and wireless companies in Missouri with ETC status. Companies with ETC status may receive USF funding for participation in the high-cost program or the Lifeline program, or both. The federal USF high-cost program provides financial support to an ETC for the provisioning of

voice or broadband service, or both, to high-cost areas. The MoUSF does not currently offer high-cost support. The federal Lifeline program provides similar support to companies for the provision of discounted voice service to qualifying low-income customers. The MoUSF provides financial support to landline phone providers for service to qualifying low-income and disabled customers.

State commissions are responsible under federal law for determining which telecommunications companies may be designated as an ETC in their states. In addition, the state commissions are responsible for an annual certification process to allow ETCs to continue to receive high-cost support.

Federal high-cost programs and the Lifeline program have recently been subject to intense criticism and the Federal Communications Commission (FCC) has implemented significant reforms in those programs. The state commissions also have authority to impose additional state-specific requirements on ETCs to ensure compliance with state Lifeline programs so long as those additional requirements do not conflict with federal requirements.

RESPONSE: The commission thanks its staff for its general comments. The commission will address staff's comments about specific rule provisions in the appropriate rulemaking.

COMMENT #2: The MCTA generally supports the commission's efforts to revise these rules. In particular, it supports the proposed deletion of rules relating to the high-cost component of the MoUSF in recognition of the fact that no such support is currently authorized and is unlikely to be authorized in the future. The MCTA also offered comments about specific provisions of the rules.

RESPONSE: The commission thanks the MCTA for its general comments and will address its comments about specific rule provisions in the appropriate rulemaking.

COMMENT #3: AT&T Missouri is critical of many aspects of the proposed rule changes. As part of a large company operating in many states, AT&T Missouri wants to see Missouri's rules closely adhere to federal standards imposed by the FCC. AT&T Missouri is concerned that additional state requirements would unnecessarily impose additional regulatory burdens.

AT&T Missouri also explains that recent federal regulatory efforts in this area have been focused on the Connect America Fund (CAF) which is aimed at providing high-cost universal service support for increasing broadband availability in areas lacking a private sector business case for broadband deployment. AT&T Missouri warns against erecting state regulatory barriers to the acceptance of CAF funds to provide service to Missouri customers.

AT&T offered numerous comments about specific provisions of the rules.

RESPONSE: The commission thanks AT&T Missouri for its general comments. The commission will attempt to balance the interests of telecommunications providers in having a streamlined regulatory process against the need to ensure that the USF programs are run efficiently. The commission will address AT&T Missouri's comments about specific rule provisions in the appropriate rulemaking.

COMMENT #4: CenturyLink generally urges the commission to retain its current rules regarding potential high-cost support from the MoUSF as such support is still authorized by Missouri statute, even though no such program has been established. Furthermore, CenturyLink asks the commission to ensure that the standards imposed by its rules are aligned with and not in excess of those imposed by the FCC. CenturyLink also offered comments about specific provisions of the rules.

RESPONSE: The commission thanks CenturyLink for its general comments. The commission will attempt to balance the interests of telecommunications providers in having a streamlined regulatory process against the need to ensure that the USF programs are run efficiently and Missouri consumers are protected. The commission will address CenturyLink's comments about specific rule provisions

in the appropriate rulemaking.

COMMENT #5: Cricket is primarily concerned about the use of electronic forms to collect applications from customers and offers specific comments in that regard.

RESPONSE: The commission thanks Cricket for its general comments and will address its specific comments in the appropriate rulemaking.

COMMENT #6: STCG represents Missouri's small, mostly rural incumbent telephone companies. STCG would like the commission to consider creation of a state high-cost USF fund. For that reason it asks the commission to retain a portion of the rules relating to such a fund. STCG also offers comments about specific provisions of the rules.

RESPONSE: The commission thanks STCG for its general comments and will address its specific comments in the appropriate rulemaking.

COMMENT #7: Public Counsel reminds the commission that it has a statutory obligation to preserve and advance universal service in this state. To that end, Public Counsel urges the commission to protect elements of such service, such as interexchange service, access to directory assistance, and access to operator services, rather than merely seeking to align Missouri rules with those offered by the FCC. Public Counsel also offers comments about specific provisions of the rules.

RESPONSE: The commission thanks Public Counsel for its general comments. The commission will attempt to balance the interests of telecommunications providers in having a streamlined regulatory process against the need to ensure that the USF programs are run efficiently and Missouri consumers are protected. The commission will address Public Counsel's specific comments in the appropriate rulemaking.

COMMENT #8: Staff explains that this rule should be rescinded because it is solely related to requirements associated with a high-cost fund that has not been implemented. No other commenter addressed the rescission of this particular rule. However, the STCG and CenturyLink suggested in general terms that the commission should leave open the possibility of establishing a high-cost fund in the future.

RESPONSE AND EXPLANATION OF CHANGE: The commission will open a working case to consider whether high-cost funding from the MoUSF should be established. This rule should remain in place while that working case proceeds. For that reason, the commission will withdraw its proposed rescission of this rule.

Title 4—DEPARTMENT OF ECONOMIC DEVELOPMENT

Division 240—Public Service Commission Chapter 31—Universal Service

ORDER OF RULEMAKING

By the authority vested in the Public Service Commission under section 392.200, RSMo Supp. 2013, and sections 392.248 and 392.470.1, RSMo 2000, the commission amends a rule as follows:

4 CSR 240-31.110 Review of Board and MoUSFA Activities is amended.

A notice of proposed rulemaking containing the text of the proposed amendment was published in the *Missouri Register* on September 16, 2013 (38 MoReg 1469-1470). No changes have been made in the text of the proposed amendment, so it is not reprinted here. This proposed

amendment becomes effective thirty (30) days after publication in the *Code of State Regulations*.

SUMMARY OF COMMENTS: The public comment period ended October 16, 2013, and the commission held a public hearing on the proposed amendment on October 21, 2013. The commission received timely written comments from the staff of the Missouri Public Service Commission; the Missouri Cable Telecommunications Association (MCTA); Southwestern Bell Telephone Company, d/b/a AT&T Missouri; CenturyTel of Missouri, LLC d/b/a CenturyLink, Embarq Missouri, Inc., d/b/a CenturyLink, Spectra Communications Group, LLC d/b/a CenturyLink, and CenturyTel of Northwest Arkansas, d/b/a CenturyLink (collectively CenturyLink); Cricket Communications, Inc.; and the Small Telephone Company Group and the Missouri Independent Telephone Company Group (collectively STCG). In addition, the following people offered comments at the hearing: Christina Baker, representing the Office of the Public Counsel; Barbara Meisenheimer, on behalf of the Office of the Public Counsel; Stephanie Bell, representing MCTA; Ken Woods, on behalf of MCTA; Bob Gryzmala, representing AT&T Missouri; Becky Kilpatrick, representing CenturyLink; Bill Steinmeier, representing Cricket; Brian McCartney, representing STCG; Colleen Dale, representing the staff of the Missouri Public Service Commission; and Natelle Dietrich, on behalf of the staff.

The commission considered this particular rule in conjunction with fourteen (14) other rules affecting telecommunications and the Missouri Universal Service Fund. Not all persons offering comments addressed this particular rule.

COMMENT #1: The commission's staff indicated it has attempted to review all commission rules relating to ETCs and the MoUSF. Most of those rules have not been revised since they were created in 1998. Aside from the need to update the rules, revisions are necessary to bring the state rules in line with recent changes to the federal USF and Lifeline programs. Staff proposed these rulemakings to accomplish five (5) objectives:

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RESPONSE: The commission thanks its staff for its general com-

ments. The commission will address staff's comments about specific rule provisions in the appropriate rulemaking.

COMMENT #2: The MCTA generally supports the commission's efforts to revise these rules. In particular, it supports the proposed deletion of rules relating to the high-cost component of the MoUSF in recognition of the fact that no such support is currently authorized and is unlikely to be authorized in the future. The MCTA also offered comments about specific provisions of the rules.

RESPONSE: The commission thanks the MCTA for its general comments and will address its comments about specific rule provisions in the appropriate rulemaking.

COMMENT #3: AT&T Missouri is critical of many aspects of the proposed rule changes. As part of a large company operating in many states, AT&T Missouri wants to see Missouri's rules closely adhere to federal standards imposed by the FCC. AT&T Missouri is concerned that additional state requirements would unnecessarily impose additional regulatory burdens.

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AT&T offered numerous comments about specific provisions of the rules.

RESPONSE: The commission thanks AT&T Missouri for its general comments. The commission will attempt to balance the interests of telecommunications providers in having a streamlined regulatory process against the need to ensure that the USF programs are run efficiently. The commission will address AT&T Missouri's comments about specific rule provisions in the appropriate rulemaking.

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RESPONSE: The commission thanks CenturyLink for its general comments. The commission will attempt to balance the interests of telecommunications providers in having a streamlined regulatory process against the need to ensure that the USF programs are run efficiently and Missouri consumers are protected. The commission will address CenturyLink's comments about specific rule provisions in the appropriate rulemaking.

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RESPONSE: The commission thanks STCG for its general comments and will address its specific comments in the appropriate rulemaking.