

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office in Jefferson
City on the 15th day of January, 2014

In the Matter of a Repository Case in Which to)	
Gather Information About the Lifeline Program)	<u>File No. TW-2014-0012</u>
And Evaluate the Purposes and Goals of the)	
Missouri Universal Service Fund)	

**INVITATION TO COMMENT ABOUT THE POSSIBLE CREATION OF A
MISSOURI UNIVERSAL SERVICE HIGH-COST FUND**

Issue Date: January 15, 2014

On December 18, 2013, the Commission directed its Staff to investigate the possibility of expanding the scope of Missouri's existing Universal Service Fund by implementing a state high-cost USF fund. A state high-cost fund would be used to assist phone companies in building infrastructure to provide telecommunications services to customers in areas that are costly to serve. Such a fund would likely be funded through a surcharge placed on customer bills.

On January 10, 2014, Staff filed a motion asking the Commission to assist it in its investigation by offering interested telecommunications companies and the public an opportunity to answer ten questions about the need for a USF high-cost program and about the structure and funding of such a program. The Commission will invite such comments.

Any telecommunications company or member of the public that wishes to be heard on this subject may answer any or all of the following questions:

1. Does Missouri need a state high-cost fund? If no, please explain your position.

If yes, please address the following questions in your response:

- a. Why is the existing federal high-cost program insufficient?
 - b. How much state funding is needed?
 - c. What consequences, if any, are anticipated if the Missouri Commission fails to establish a high-cost fund?
2. What issues need to be addressed by the Public Service Commission in order to establish a high-cost fund?
3. What service(s) should be supported?
4. What type(s) of providers should be able to receive high-cost support?
 - a. Should funding be limited to landline providers?
 - b. Does a provider need to own facilities? If so, what kind of facilities?
 - c. Should wireless or broadband providers be able to draw support?
5. How should high-cost disbursements be determined? *(For example, how will it be determined if an area or provider needs high-cost support, and if so, how much?)*
6. What state(s), if any, have a state high-cost fund that Missouri should strive to mirror?
7. Should an attempt be made to limit the size of the fund? *(For example, should the fund's total annual disbursement amount be capped? Should the fund have a sunset provision or a phase-out provision?)*
8. What accountability requirement, if any, should be established to ensure a company is appropriately using state high-cost support?
9. Is there a need to revise how the Missouri USF is funded to accommodate a high-cost fund?

- a. Should the base of services assessed to support the MoUSF be expanded?
 - b. What exemptions should exist (e.g. Lifeline, Wholesale)?
 - c. Should the MoUSF assessment be based on revenues or the services (connections) provided, or some other measure?
10. What revisions, if any, are needed to Missouri's statutes if the Public Service Commission intends to implement a high-cost fund?
11. Is there anything else you would like to tell the Missouri Public Service Commission about implementation of a high-cost fund?

Staff asks that anyone who wishes to respond to its questions do so no later than February 14, 2014.

To give everyone an opportunity to respond, the Commission will direct its data center to send a copy of this notice to all telecommunications carriers certificated or otherwise registered to provide telecommunications services in Missouri. In addition, the Commission will direct its Public Information Office to make this notice available to the news media and to members of the general assembly.

BY THE COMMISSION



A handwritten signature in black ink that reads "Morris L. Woodruff".

Morris L. Woodruff
Secretary

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

Woodruff, Chief Regulatory Law Judge