

Ann Whittle

From: Trip England
Sent: Friday, November 16, 2018 10:46 AM
To: Salsman, Kari
Cc: Lyon Jim (jlyon@marktwain.coop); Brian Mccartney; Trip England
Subject: RE: Mark Twain Communications Company Missouri ETC Application
Attachments: FCC Public Notice DA 17-1093.pdf; MTCC Signed and Notarized Verfitcation Page 11-15-18.pdf

Hi Kari,

Incorporated in red print into in your e-mail below are Mark Twain's answers to your questions regarding its Application for Expansion of Its Designation as an Eligible Telecommunications Carrier for Purposes of Receiving Connect America Fund Phase II Support. Also attached is a copy of the FCC's Public Notice DA 17-1093 and a signed Verification by Jim Lyon as to the accuracy of the responses contained below.

If you have any questions or need additional information, please let me know at your earliest convenience.

Thanks.

TRIP

From: Salsman, Kari <Kari.Salsman@psc.mo.gov>
Sent: Tuesday, November 13, 2018 3:34 PM
To: Trip England <trip@brydonlaw.com>; Brian Mccartney <bmmccartney@brydonlaw.com>; 'jlyon@marktwain.coop' <jlyon@marktwain.coop>
Cc: Van Eschen, John <john.vaneschen@psc.mo.gov>; Payne, Whitney <Whitney.Payne@psc.mo.gov>
Subject: RE: Mark Twain Communications Company Missouri ETC Application

Resending to correct email address of Mr. Lyon.

From: Salsman, Kari
Sent: Tuesday, November 13, 2018 3:30 PM
To: trip@brydonlaw.com; Brian Mccartney (bmmccartney@brydonlaw.com); 'jlyon@maritwain.coop'
Cc: Van Eschen, John; Payne, Whitney
Subject: Mark Twain Communications Company Missouri ETC Application

Good afternoon,

Staff has initially reviewed the company's request to expand its ETC designation. Below are requirements that we were unable to find addressed in the company's application. If we overlooked something please bring it to our attention by simply responding to this email and direct us to the specific portion of the company's application where the item is addressed. If the items are not addressed in the company's original application then the company will need to supplement the filing (Case No. CA-2019-0117). Either of the following two methods are acceptable for amending a

company's application: (1) Insert the unaddressed items in the body of the company's original application and resubmit the application, in its entirety, to the case file; or (2) Supplement the company's application by submitting a filing solely addressing the items in the list below. Be aware either method will require a new affidavit to be submitted.

- 4 CSR 240-31.130(1)(D)2: The statement committing to solely conduct business under name granted ETC status should also include a statement that the company will not use additional service or brand names.

As indicated in paragraph 19 of its Application for Expansion of its Designation as an Eligible Telecommunications Carrier for Purposes of Receiving Connect America Fund Phase II Support (Application), Mark Twain commits to solely conduct business using its name as registered with the Commission and the Missouri Secretary of State. If, in the future, Mark Twain decides to do business using a fictitious name, it will notify the Commission in accordance with its rules for doing so. In addition, Mark Twain will not use additional service or brand names unless it receives permission or authorization from the Commission to do so.

- 4 CSR 240-31.130(1)(D)11: Indicate whether agents or independent contractors will be used to enroll subscribers. If non-employees are going to be used include a statement committing to take responsibility for them and their activities as if they were legally employees of the company. In addition, explain how it will monitor such personnel to ensure compliance with all applicable laws and rules concerning the Lifeline or Disabled programs.

As indicated in paragraph 21 of its Application, Mark Twain currently uses its own employees (Customer Service Representatives or CSRs) to enroll applicants for the Lifeline or Disabled Programs. Accordingly, Mark Twain does not use agents or independent contractors to enroll potential subscribers to these services. However, if or when the National Verifier is implemented in Missouri, Mark Twain will, at that time, be required by FCC rules to use a third-party verifier to enroll subscribers to the Lifeline Program.

- 4 CSR 240-31.130(1)(E)3: A statement that the applicant is compliant with contribution obligations to the Federal USF.

Mark Twain is compliant with all contribution obligations to the Federal USF.

- A statement that standalone voice service will be offered. This requirement is based on the FCC's expectations for ETC applications as identified on page 3 of [FCC Public Notice DA 18-274](#).

Mark Twain will offer voice telephony as a stand-alone service throughout its service area.

- Demonstrate the rates for the supported services will be reasonably comparable to the rates offered in urban areas. This requirement is based on the FCC's expectations for ETC applications as identified on page 3 of [FCC Public Notice DA 18-274](#).

The rates Mark Twain will charge for its voice telephony and Broadband services will be reasonably comparable to the rates offered in urban areas. To Mark Twain's knowledge, the most recent FCC benchmark rates for these services are contained in FCC Public Notice DA 17-1093 released November 8, 2017 (attached).

Staff is required to submit a recommendation by November 30th. In order to meet this deadline please address the above items by November 21st. Failing to respond in a timely manner will delay the processing of your application. If you have any questions, please let me know.

Thank you,
Kari Salsman | Missouri Public Service Commission | 573-526-5630

PUBLIC NOTICE

Federal Communications Commission
445 12th St., S.W.
Washington, D.C. 20554

News Media Information 202 / 418-0500
Internet: <https://www.fcc.gov>
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DA 17-1093

Released: November 8, 2017

WIRELINE COMPETITION BUREAU ANNOUNCES RESULTS OF 2018 URBAN RATE SURVEY FOR FIXED VOICE AND BROADBAND SERVICES, POSTING OF SURVEY DATA AND EXPLANATORY NOTES, AND REQUIRED MINIMUM USAGE ALLOWANCE FOR ETCs SUBJECT TO BROADBAND PUBLIC INTEREST OBLIGATIONS FOR ALL UNITED STATES CARRIERS, INCLUDING CARRIERS IN ALASKA

WC Docket No. 10-90

Today, the Wireline Competition Bureau (Bureau) announces the 2018 reasonable comparability benchmarks for fixed voice and broadband services for incumbent eligible telecommunications carriers (ETCs).¹ In addition, we announce the posting of the fixed voice and broadband services data collected in the most recent urban rate survey, and explanatory notes regarding the data, on the Commission's website at <http://www.fcc.gov/encyclopedia/urban-rate-survey-data>. The Bureau also announces the required minimum usage allowance for ETCs subject to public interest obligations for fixed broadband.

Voice Rates. Based on the survey results, the 2018 urban average monthly rate (the rate floor) is \$25.50.² Therefore, the reasonable comparability benchmark for voice services, two standard deviations above the urban average, is \$45.38.³ Under the Commission's rules, each ETC, including competitive ETCs providing fixed voice services,⁴ must certify in the FCC Form 481 filed no later than July 1, 2017, that the pricing of its basic residential voice services is no more than \$45.38.⁵

In May 2017, the Commission froze the rate at which support reductions would occur at \$18 until July 1, 2018 or until the Commission takes further action. Therefore, carriers will not be subject to any

¹ See *Connect America Fund et al.*, WC Docket No. 10-90 et al., Report and Order and Further Notice of Proposed Rulemaking, 26 FCC Rcd 17663 (2011) (*USF/ICC Transformation Order*), *aff'd sub nom*, *In re: FCC 11-161*, 753 F.3d 1015 (10th Cir. 2014).

² The *USF/ICC Transformation Order* defined the average urban rate to include local end-user rates plus state regulated fees (specifically, state subscriber line charges (SLCs), state universal service, and mandatory extended area service charges). *USF/ICC Transformation Order*, 26 FCC Rcd at 17751, para. 238.

³ *Id.* at 17694, para. 84.

⁴ The Bureau has adopted a benchmark only for fixed voice services because "the differences in rate plans and other attributes of fixed and mobile services would make it inordinately difficult to create a unified benchmark" that applied to both fixed and mobile services. See *Connect America Fund*, WC Docket No. 10-90, Order, 28 FCC Rcd 4242, para. 6 (WCB 2014).

⁵ 47 CFR § 54.313(a)(10); see also *USF/ICC Transformation Order*, 26 FCC Rcd at 18046-47, para. 1026. In the *USF/ICC Transformation Order*, the Commission required that as a condition of receiving high-cost support, ETCs must offer voice service in supported areas at rates that are reasonably comparable to rates for similar services in urban areas. *USF/Transformation Order*, 26 FCC at 17693, para. 81.

25	5	Unlimited	\$94.67	\$115.97
50	5	Unlimited	\$106.52	\$120.68
100	10	Unlimited	\$126.42	\$133.85
100	20	Unlimited	\$127.89	\$138.61
250	25	Unlimited	\$168.02	\$220.26
500	50	Unlimited	\$203.71	\$304.76
1000	100	Unlimited	\$217.43	\$296.02

To facilitate benchmark calculations, the Bureau will post an Excel file and online tool in which providers can enter the relevant variables to determine the benchmark for specific service characteristics at <http://www.fcc.gov/encyclopedia/urban-rate-survey-data>.

Minimum Usage Allowance. Under the *USF/ICC Transformation Order* and subsequent orders, ETCs subject to broadband public interest obligations must provide broadband with usage allowances reasonably comparable to those available through comparable offerings in urban areas.¹³ The Commission delegated to the Bureau the task of setting a specific minimum usage allowance and specified that minimum should be adjusted over time.¹⁴

In the 2016 *Rate-of-Return Reform Order*, the Commission specified that the required minimum usage allowance for rate-of-return carriers receiving model-based support would be 150 GB per month, or a usage allowance reflecting the average usage of a majority of fixed broadband customers, using Measuring Broadband America data or a similar data source, whichever is higher.¹⁵ In the 2016 *Phase II Auction Order*, the Commission concluded that price cap carriers that accepted model-based support could meet the baseline performance data usage allowance established for the Phase II auction support in lieu of meeting the standard previously adopted by the Bureau's *Phase II Service Obligations Order*.¹⁶ The usage allowance adopted by the Commission for the baseline performance tier is the same as that specified for rate-of-return recipients of model-based support: 150 GB per month, or a usage allowance that reflects the average usage of a majority of fixed broadband customers, using Measuring Broadband America (MBA) data or a similar data source, whichever is higher.¹⁷

For 2017, the Bureau specified a minimum monthly usage allowance of 160 GB (rounded from

¹³ See *USF/ICC Transformation Order*, 26 FCC Rcd at 17699, para. 99. See 47 CFR §§ 54.308(a), 54.309(a).

¹⁴ *USF/ICC Transformation Order*, 26 FCC Rcd at 17699, para. 99. In 2013, the Bureau concluded that price cap carriers accepting model-based support would be required to offer a minimum usage allowance over the course of Phase II's term that (1) remains consistent with trends in usage for 80 percent of consumers using cable or fiber-based fixed broadband services, or alternatively, (2) is at least 100 GB and at or above the usage level for 80 percent of all of that carrier's broadband subscribers, including those subscribers that live outside of Phase II-funded areas. See *Connect America Fund*, WC Docket No. 10-90, Report and Order, 28 FCC Rcd 15060, 15068, paras. 18 (WCB 2013) (*Phase II Service Obligations Order*). The Bureau adopted the same approach for determining usage allowances for rate-of-return carriers as the Bureau had previously adopted for Phase II model-based support recipients. *Wireline Competition Bureau Announces Results of 2016 Urban Rate Survey for Fixed Voice and Broadband Services*, et al., Public Notice, 31 FCC Rcd 3393 (WCB 2016).

¹⁵ *Connect America Fund et al.*, Report and Order, Order and Order on Reconsideration, and Further Notice of Proposed Rulemaking, 31 FCC Rcd 3087, 3099, para. 27 (2016). See 47 CFR § 54.308(a)(1).

¹⁶ *Connect America et al.*, Report and Order and Further Notice of Proposed Rulemaking, 31 FCC Rcd 5949, 5959, para. 25 n.52 (2016).

¹⁷ *Id.* at 5959-60, para. 25. See 47 CFR § 54.309(a)(2)(ii).

164 GB for administrative convenience) for both price cap carriers receiving Phase II model-based support and rate-of-return carriers based on 2015 MBA data.¹⁸ However, the MBA program is phasing out collection of usage data. Therefore, the Bureau is using the Cisco Visual Networking Index (Cisco VNI) average Internet household usage in the United States which is calculated based on analyst projections, Cisco-generated estimates and forecasts, and direct data collection.¹⁹ According to the Cisco VNI, the average Internet household generated 172.3 GB of Internet traffic per month in 2016, the most recent information available.²⁰ For administrative convenience, the Bureau specifies a minimum monthly usage allowance of 170 GB for 2018.

For further information, please contact Suzanne Yelen, Industry Analysis and Technology Division, Wireline Competition Bureau, at (202) 418-7400 or (202) 418-0484 (TTY), or at suzanne.yelen@fcc.gov.

– FCC –

¹⁸ In lieu of this national figure, price cap carriers receiving Phase II support are free to utilize the alternative measure adopted by the Bureau in 2013 if that is lower: a usage allowance that is at or above the usage level for 80 percent of all of that carrier's broadband subscribers, including those subscribers that live outside of Phase II-funded areas. See *Phase II Service Obligations Order*, 28 FCC Red at 15068, para. 18.


¹⁹ See Cisco Visual Networking Index: Forecast and Methodology, 2016-2021, Overview of VNI methodology available at https://www.cisco.com/c/en/us/solutions/collateral/service-provider/visual-networking-index-vni/complete-white-paper-c11-481360.html#_Toc484813975.

²⁰ See Cisco VNI Forecast Highlights Tool, North America, United States, Traffic per User and Household available at https://www.cisco.com/c/m/en_us/solutions/service-provider/vni-forecast-highlights.html#.

VERIFICATION

State of Missouri)
) ss.
County of Knox)

I, Jim Lyon, being duly sworn upon my oath, state that I am over 21, sound of mind, and am authorized to act on behalf of Mark Twain Communications Company, regarding the foregoing answers to Staff's questions about Mark Twain's Application for Expansion of its Designation as an Eligible Telecommunications Carrier for Purposes of Receiving Connect America Fund Phase II Support. I have read the foregoing answers and verify that the facts and statements contained in them are true and correct to the best of my knowledge, information and belief.



Jim Lyon

Subscribed and sworn before me this 15th day of November, 2018.



Notary Public

Notary Seal:

