

BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

In the Matter of the Petition of Conexon)
Connect LLC for Expanded Lifeline-Only)
Designation as an Eligible)
Telecommunications Carrier) File No. DA-2022-0305

ORDER DIRECTING NOTICE, SETTING INTERVENTION DEADLINE, AND DIRECTING FILING OF STAFF RECOMMENDATION

Issue Date: May 4, 2022

Effective Date: May 4, 2022

On May 2, 2022, Conexon Connect LLC applied to expand its designation as an Eligible Telecommunications Carrier (ETC) to offer Lifeline benefits to qualified households in additional areas in the State of Missouri. Conexon Connect also seeks authority to expand its ETC status in order to participate in the Missouri Universal Service Fund (MoUSF), including the Missouri Lifeline and Disabled Programs, in these additional areas in the State of Missouri.

Notice of the application shall be sent to all incumbent and competitive local exchange carriers certificated to provide service in Missouri. The Commission will also set a deadline for intervention requests and direct the filing of a recommendation by the Staff of the Commission (Staff).

THE COMMISSION ORDERS THAT:

1. The Commission's Data Center shall send notice of this application to all eligible telecommunications carriers certificated to provide service in Missouri.

2. Any request to intervene shall be filed with the Commission no later than June 2, 2022. Such applications shall be filed with:

Secretary
Missouri Public Service Commission
P.O. Box 360
Jefferson City, Missouri 65102

or use the Commission's electronic filing and information service.

3. Staff shall file a recommendation regarding this application, or a request for an extension of time, no later than June 17, 2022.

4. This order shall be effective when issued.



BY THE COMMISSION

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

Morris L. Woodruff
Secretary

Charles Hatcher, Regulatory Law Judge,
by delegation of authority pursuant to
Section 386.240, RSMo 2016.

Dated at Jefferson City, Missouri,
on this 4th day of May, 2022.



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John Hall Dalton, Jr.
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Missouri Governor
John M. Dalton (1900-1972)
John Hall Dalton (1927 - 2012)
J. Michael Mowrer (1945-2020)

May 2, 2022

Morris L. Woodruff, Secretary
Missouri Public Service Commission
200 Madison Street
P. O. Box 360
Jefferson City, MO 65102-0360

Re: Conexon Connect LLC, "Petition for Expanded Lifeline-Only Designation as an Eligible Telecommunications Carrier"

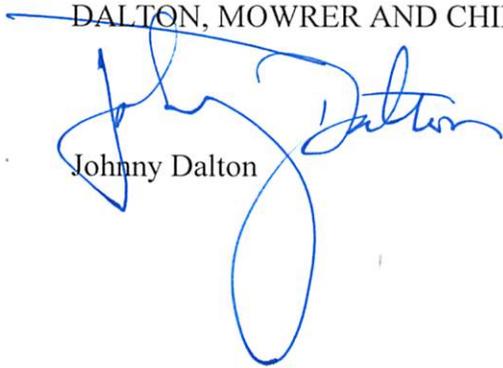
Dear Mr. Woodruff:

Our law firm represents Conexon Connect LLC. Please file the attached "Petition of Conexon Connect LLC for Expanded Lifeline-Only Designation as an Eligible Telecommunications Carrier." The Petition includes the following Attachments:

1. Attachment A: "Map and List of Census Blocks in which Petitioner Seeks Expanded Lifeline-Only Designation and Authority to Draw Support from the Missouri Universal Service Fund,"
2. Attachment B: "Affidavit of Teresa Hannay,"
3. Attachment C: "Certificate of Good Standing," and
4. Attachment D: "Officers of Conexon Connect LLC."

Sincerely,

DALTON, MOWRER AND CHIDISTER, LLP


Johnny Dalton

JD/dsw
Attachments

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

Petition of Conexon Connect LLC) Case No. []
For Designation as An Expanded Lifeline-only)
Eligible Telecommunications Carrier Pursuant to)
Section 214(e)(2) of the Communications)
Act of 1934, as Amended)

**PETITION OF CONEXON CONNECT LLC
FOR EXPANDED LIFELINE-ONLY DESIGNATION AS AN
ELIGIBLE TELECOMMUNICATIONS CARRIER**

COMES NOW Conexon Connect LLC (“Conexon Connect” or “Petitioner”), pursuant to § 214(e)(2) of the Communications Act of 1934 (“Act”), as amended, and the rules and regulations of the Missouri Public Service Commission (“Commission”), including 4 CSR § 240-2.060 and 4 CSR §§ 240-31.015-0.16, respectfully requesting to expand its designation as an Eligible Telecommunications Carrier (“ETC”) in the State of Missouri in order to offer federal Lifeline benefits to qualified households in additional areas in the State of Missouri. By this request, Conexon Connect also seeks Commission authority to expand its existing ETC designation status in order to enable the Company to participate in the Missouri Universal Service Fund (“MoUSF”) and receive MoUSF subsidies, including the Missouri Lifeline and Disabled Programs, in these additional areas.

Conexon Connect was designated as an ETC by the Commission on February 24, 2021, so that it was eligible to receive Rural Digital Opportunity Fund (“RDOF”) Phase I in specific census blocks in the state of Missouri.¹ The Commission determined that Conexon Connect

¹ *Application of Conexon Connect LLC for Designation as an Eligible Telecommunications Carrier*, Docket No. DA-2021-0193, Order Granting Application for Designation as an Eligible Telecommunications Carrier, Item No. 6 (February 24, 2021) (“*ETC Order*”), at 2, 3.

meets all of the statutory and regulatory requirements and prerequisites for ETC designation.² Additionally, Conexon Connect has already been approved to receive MoUSF support throughout its RDOF winning areas.³

I. INTRODUCTION AND SUMMARY

Conexon Connect, a Missouri Limited Liability Company, was formed, in part, to deploy and operate a new state-of-the-art, low-latency, fiber-to-the-home (“FTTH”) network and to provide high-speed broadband Internet access and Voice over Internet Protocol (“VoIP”) services to certain rural areas of Missouri which largely lack access to such services. Petitioner plans to offer low-latency broadband service at actual speeds of at least 1 Gigabit per second downstream and 500 Mbps upstream and at least 2 terabytes of monthly usage. Petitioner will also provide its customers with voice grade access to the Public Switched Telephone Network (“PSTN”) through its provision of interconnected VoIP service.

Petitioner is a wholly-owned subsidiary of Conexon, LLC (“Conexon”). Conexon, which manages more rural fiber construction in the United States than any other company, works with rural electric cooperatives to bring FTTH to rural communities across the country. Conexon’s goal is to ensure that rural homes and businesses have access to the life- and community-changing benefits fiber-optic networks deliver. Conexon has assisted more than 200 rural electric cooperatives and helped connect more than 200,000 FTTH subscribers across the country.

² See *id.* at 2.

³ See Conexon Connect, LLC’s Request for Commission Authority to Participate in Missouri Universal Service Fund, Docket No. DA-2021-0292, Order Granting Expanded Designation as an Eligible Telecommunications Carrier, Item No. 4 (April 28, 2021).

Conexon debuted on the Inc. 500 listing of America's fastest-growing private companies in 2021, with three-year revenue growth of over 1,400%.⁴ The company ranked No. 4 within the telecommunications industry and No. 313 overall. Within Missouri, Conexon was ranked as the 4th fastest-growing private company, with 135 employees and growing. Both Conexon and Conexon Connect are based in Kansas City, Missouri. The street and mailing address of Petitioner's principal office is: 2001 Grand Blvd., Suite 700, Kansas City, Missouri 64108.

Correspondence, communications, orders and decisions in regard to this Application should be directed to:

Teresa Hannay
Senior Vice President
Conexon Connect LLC
2001 Grand Blvd., Suite 700
Kansas City, Missouri 64108
Phone: (844) 542-6663
E-mail: terie.hannay@conexon.us

With copies to:

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⁴ See Inc. Magazine Website, *Inc. 5000 2021: Introducing the Inc. 5000 Fastest-Growing Private Companies in America*, accessed at <https://www.inc.com/inc5000/2021>.

Petitioner will deploy broadband and interconnected VoIP services throughout the census blocks identified in Attachment A hereto and seeks expanded Lifeline-only ETC designation, as well as authority to draw MoUSF support, to serve these census blocks. Petitioner meets all of the requirements for expanded Lifeline-only ETC designation. Designating Petitioner as an ETC in these additional areas will serve the public interest by enabling Petitioner to provide subsidized broadband and voice services to consumers and businesses in the Petitioner's proposed additional areas.

II. THE COMMISSION HAS AUTHORITY TO GRANT EXPANDED ETC DESIGNATION REQUESTED BY PETITIONER

Section 214(e)(2) of the Act gives authority to State commissions to designate a common carrier as an ETC. Under Missouri regulations, “[a]ny company seeking [ETC] status for the purpose of participating in the federal Universal Service Fund (USF) high cost programs ... shall apply for ETC designation with the Commission.”⁵ An ETC is defined as “a carrier designated as such by the Missouri Public Service Commission pursuant to 47 U.S.C. 214(e) and 47 CFR Part 54 Subpart C.”⁶

III. PETITIONER MEETS THE FEDERAL, STATUTORY AND REGULATORY PREREQUISITES TO BE DESIGNATED AS A LIFELINE ONLY ETC IN THE ADDITIONAL AREAS PROPOSED

As demonstrated herein, Petitioner satisfies each of the state and federal statutory and regulatory requirements for designation as a Lifeline-only ETC in its proposed expanded Lifeline-only ETC designation area.

⁵ 4 CSR § 240-31.016.

⁶ 4 CSR § 240-31.010(5).

A. Petitioner Will Provide Service as a Common Carrier

Petitioner will provide its services on a common carrier basis. As such, Petitioner certifies that it is a common carrier under §§ 214(e)(1)-(2) of the Act.⁷

B. Petitioner Will Offer the Services Supported by the Federal Universal Service Support Mechanisms

As described below, Petitioner certifies that it will provide the following services that are supported by federal universal service support mechanisms:⁸

1. **Voice Grade Access to the PSTN** – Petitioner will meet this requirement through the provision of IP-based voice communications service that is interconnected to the PSTN. Petitioner will be legally responsible for dealing with customer problems, providing quality of service guarantees, and meeting universal service-related requirements. Petitioner will offer standalone voice telephony service throughout its proposed expanded Lifeline-only ETC designation area and will offer such service at rates that are reasonably comparable to urban rates. This service will include minutes of use for local service provided at no charge to end users and access to emergency service via E-911, wherever available from local government or public safety organizations.⁹ Petitioner also commits to provide toll limitation services to qualifying low-income consumers as provided in §§ 54.400-54.423 of the Rules.¹⁰
2. **Broadband Internet Access Services** – Petitioner’s broadband Internet offering will provide the capability to transmit data to and receive data by wire from all or substantially all Internet endpoints, including any capabilities that are incidental to and enable the operation of the communications service. Petitioner will offer low-latency Internet service at actual speeds of at least 1 Gbps downstream and 500 Mbps upstream and offer at least 2 terabytes of monthly usage throughout its proposed expanded ETC designation area, and will offer such service at rates that are reasonably comparable to urban rates.¹¹

⁷ See Attachment B (Affidavit of Teresa Hannay).

⁸ See *id.*

⁹ 47 C.F.R. § 54.101(a)(1) and (b).

¹⁰ 47 C.F.R. § 54.101(a)(1).

¹¹ 47 C.F.R. § 54.101(a)(2).

3. Lifeline Service – Petitioner will offer subsidized Lifeline voice and broadband services to qualifying low-income consumers in accordance with the FCC’s rules within its proposed expanded Lifeline-only ETC designation area.¹²

Petitioner further commits to provide these services consistent with the applicable FCC Lifeline universal service support rules.¹³

C. Petitioner Will Provide Service Using Its Own Facilities

Petitioner plans to deploy and operate a state-of-the-art, low-latency, FTTH facilities-based network to provide high-speed broadband Internet access and interconnected VoIP services to those residents and businesses located within its proposed expanded Lifeline-only ETC designation area who lack access to such services.¹⁴

D. Petitioner Will Provide the Requisite Supported Services Throughout Its Proposed Expanded, Lifeline-only ETC Designation Area

Petitioner commits to providing the supported services throughout its proposed ETC designation area, consistent with all applicable requirements.¹⁵

E. Petitioner Will Advertise the Availability of Its Services and Charges Using Media of General Distribution

Petitioner will advertise the availability of and charges for its supported services offerings using media of general distribution, and will undertake outreach initiatives to increase consumer awareness of its service offerings, consistent with all applicable requirements.¹⁶ Petitioner will offer and advertise its broadband and interconnected VoIP services through a combination of

¹² 47 C.F.R. § 54.405(a), 54.400 *et. seq.*

¹³ *See* 47 C.F.R. §§ 54.101 and 54.201.

¹⁴ 47 C.F.R. § 54.201(d)(1).

¹⁵ *See* 47 C.F.R. §§ 54.101 and 54.201.

¹⁶ 47 C.F.R. § 54.201(d)(2).

media channels, such as newspaper, magazines, and other print advertisements, outdoor advertising, direct marketing, and/or the Internet. Petitioner will advertise its universal service offerings in a manner consistent with applicable requirements.

F. Petitioner Possesses the Financial and Technical Capability to Provide the Supported Services

With the financial backing of its parent, Conexon, LLC, Petitioner possesses the financial and technical capabilities to pay for all start-up expenses (*e.g.*, construction, hardware, operations, etc.) to get its fiber optic network built and to begin the provision of voice and broadband services throughout its proposed, expanded Lifeline-only ETC designation area.

G. Petitioner Will Meet the Additional FCC Requirements for Designation as an ETC

Petitioner further certifies that it will meet all of the FCC's requirements for designation as an ETC under § 214(e)(2) of the Act.¹⁷

1. **Compliance with Applicable Service and Performance Quality Requirements.** Petitioner certifies that it will comply with the service requirements applicable to the support that it receives.
2. **Ability to Remain Functional in Emergency Situations.** Petitioner certifies that its fiber optic network will have the ability to remain functional in emergency situations, will have a reasonable amount of back-up power to ensure functionality without an external power source, will be able to reroute traffic around damaged facilities and will be capable of managing traffic spikes resulting from emergency situations.¹⁸ Petitioner's fiber optic network will support telephone service using Session Initiation Protocol-based VoIP technology and will support all phone features, including E-911 services.

¹⁷ See Attachment B.

¹⁸ See 47 C.F.R. § 54.202(a)(2).

IV. PETITIONER ALSO MEETS THE STATE REQUIREMENTS TO BE DESIGNATED AS AN EXPANDED LIFELINE-ONLY ETC

Petitioner is in good standing under the laws of Missouri.¹⁹ Petitioner does not have any pending action or final unsatisfied judgment or decisions against it from any state or federal agency or court which involves customer service or rates within three (3) years of the date of this petition.²⁰ Petitioner does not have any annual reports or assessment fees that are overdue.²¹

Petition complies with the ETC application requirements set forth in 4 CSR § 240-31-016(2)(B) as follows:

- Petitioner is a wholly owned subsidiary of Conexon which, in turn, is co-owned by David R. Klindt and Jonathan Chambers, each holding a 50% equity interest in Conexon. *See* Attachment D.
- No company sharing common ownership and management with Petitioner has ever received funds from the federal USF or any state universal service fund.
- No matter has been brought in the last ten (10) years by any state or federal regulatory or law enforcement agency against any of the individuals, entities, managers, officers and/or directors of other companies sharing common ownership or management with the applicant involving fraud, deceit, perjury, stealing, or the omission or misstatement of material fact in connection with a commercial transaction.
- Petitioner's website will contain information about its service and rates prior to the initiation of such service.
- Petitioner will comply with the ETC requirements identified in 4 CSR 240-31.015.²²
- Petitioner will notify the Commission of any changes to its contact information.

¹⁹ 4 CSR § 240-2.060(B).

²⁰ 4 CSR § 240-2.060(K).

²¹ 4 CSR § 240-2.060(L).

²² *See* Attachment B.

V. THE COMMISSION HAS PREVIOUSLY GRANTED THE PETITIONER DESIGNATION AS AN ETC

As referenced above, Petitioner was designated as a high-cost and low-income ETC by the Commission on February 24, 2021, in order to receive RDOF Phase I support, as a winning bidder in the FCC's Auction 904. In connection with granting Petitioner's application for designation as an ETC, the Commission reviewed Petitioner's representations, certifications, and commitments regarding the services Petitioner will provide that are supported by federal universal service mechanisms,²³ and determined that "the (Petitioner) has met the requirements for ETC designation."²⁴ The Petitioner hereby reaffirms its compliance with and commitment to each of the requirements delineated in the Petitioner's ETC Application, reviewed in the Conexon Connect ETC Designation Order, and stated above.

VI. PETITIONER MEETS THE STATE REQUIREMENTS FOR EXPANDED DESIGNATION TO PARTICIPATE IN THE MISSOURI UNIVERSAL SERVICE FUND

All of the representations made by Conexon Connect in Case No. DA-2021-0193, including all of the representations made by the Company in its Application for Designation as an ETC, as well as all of the representations made by the Company in this Application, remain accurate and the Company will comply with the ETC requirements identified in 4 CSR § 240-31.015.

²³ See Application of Conexon Connect LLC for Designation as an Eligible Telecommunications Carrier, Docket No. DA-2021-0193, Item No. 1 (January 5, 2021).

²⁴ See ETC Order at 2.

Conexon Connect remains compliant with all reporting and assessment obligations to the Commission. Conexon Connect also remains compliant with all reporting, assessment obligations and contributions to the federal Universal Service Fund.

VII. GRANT OF THIS APPLICATION WILL SERVE THE PUBLIC INTEREST

The Commission's grant of this Petition will clearly serve the public interest by enabling Petitioner to provide low-latency, gigabit-speed broadband, and interconnected VoIP-based voice services to residents and businesses located within its proposed expanded Lifeline-only ETC designation area, as well as to provide subsidized voice and broadband services to those households that seek and qualify for federal Lifeline benefits. Petitioner's participation will "encourage the deployment on a reasonable and timely basis of advanced telecommunications capability to all Americans ...,"²⁵ and will ensure that federal universal service support is used efficiently and effectively.

VIII. CONCLUSION

For all of the foregoing reasons, Petitioner respectfully requests that the Commission designate it as a Lifeline-only ETC in the additional areas requested so that Petitioner will be able to offer federal Lifeline benefits, as well as supplemental subsidies from the MoUSF, to qualified households in these additional rural areas.

²⁵ 47 U.S.C. § 1302(a).

Respectfully submitted,



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and

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Counsel to Conexon Connect LLC

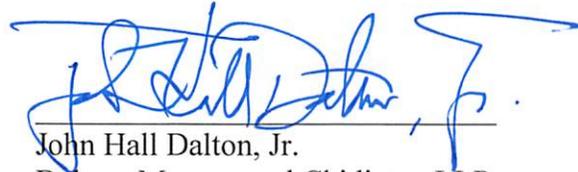
May 02, 2022

CERTIFICATE OF SERVICE

The undersigned certifies that a true copy of the foregoing Petition was served by electronic mail or U.S. Mail, postage prepaid, this 2nd day of May, 2022 upon the following:

Office of the Public Counsel
200 Madison Street, Suite 650
P.O. Box 2230
Jefferson City, Missouri 65102
opcservice@ded.mo.gov

Missouri Public Service Commission
Staff Counsel Department
200 Madison Street, Suite 800
P.O. Box 360
Jefferson City, Missouri 65102
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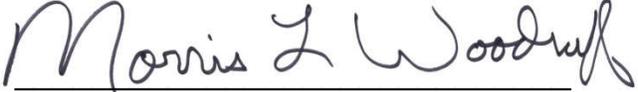
STATE OF MISSOURI

OFFICE OF THE PUBLIC SERVICE COMMISSION

I have compared the preceding copy with the original on file in this office and I do hereby certify the same to be a true copy therefrom and the whole thereof.

WITNESS my hand and seal of the Public Service Commission, at Jefferson City, Missouri, this 4th day of May, 2022.




Morris L. Woodruff
Secretary

MISSOURI PUBLIC SERVICE COMMISSION

May 4, 2022

File/Case No. DA-2022-0305

**Missouri Public Service
Commission**

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Conexon Connect LLC

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johnny@dmclawfirm.com

Enclosed find a certified copy of an Order or Notice issued in the above-referenced matter(s).

Sincerely,



**Morris L. Woodruff
Secretary**

Distributed to all Eligible Telecommunications Carriers Certificated to provide Service in Missouri.

Recipients listed above with a valid e-mail address will receive electronic service. Recipients without a valid e-mail address will receive paper service.