

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

In the Matter of the Application of)
Chariton Valley Communications)
Corporation for Expansion of its)
Designation as an Eligible)
Telecommunications Carrier Eligible)
for Universal Service Support Pursuant)
to the Telecommunications Act of 1996)

Case No. CA-2019-0108

RECOMMENDATION

COMES NOW the Staff of the Missouri Public Service Commission, by and through counsel, and for its *Recommendation* in this matter hereby states:

1. On October 19, 2018, Chariton Valley Communications Corporation, (Company or Chariton Valley) filed an *Application for Expansion of Designation as an Eligible Telecommunications Carrier* with the Commission requesting that the Commission issue an order extending the designation of Chariton Valley as a high-cost and low-income eligible telecommunications carrier (ETC) to include 12 census blocks for high cost support services and the entire state of Missouri for Lifeline and disabled services. The Company's request, if approved, would permit it to receive federal support pursuant to the Connect America Fund II (CAF II) auction held by the Federal Communications Commission (FCC) and for Lifeline.

2. The CAF II program is part of the FCC's reform and modernization of its universal service fund support programs designed to accelerate the expansion of broadband services to rural areas and any areas which presently lack the infrastructure capable to support at least 10/1 Mbps of fixed broadband services. The FCC held an auction to allocate funds to various companies which could further the goals of

the CAF II program. The FCC requires each winning company to obtain ETC designation from its respective public utilities commission prior to receiving the allocated funds. Winners of the auction must certify within 180 days of the release of the Public Notice from the FCC which closed the CAF II auction that they have obtained ETC designation. Public Notice was issued August 21, 2018, so Chariton Valley must certify that it has obtained extension of its ETC designation to include these areas no later than February 25, 2019.

3. The Company was previously approved to provide basic local telecommunications services in Case No. TA-2002-0238 and to provide interexchange telecommunications services in Case No. CA-2006-0160. It was granted designation as an ETC in Case No TA-2012-0128. The Company included an Exhibit A with its *Application* which outlines the specific census blocks for which it requests designation as a high-cost and low-income and Lifeline services provider.

4. Commission rule 4 CSR 240-31.130 governs the specific eligible telecommunications carrier requirements that each applicant must meet. Applications must also comply with 4 CSR 240-2.060 and shall be verified by oath as to the truthfulness contained in the application by an officer or director of the applicant.

5. Staff conducted an investigation and has provided a memorandum attached to this pleading as Appendix A. Staff's memorandum outlines the reasons why Staff believes Chariton Valley met the requirements of 4 CSR 240-2.060, continues to meet the requirements of 4 CSR 240-31.130 and should receive expansion of its ETC designation.

WHEREFORE, Staff recommends that the Commission approve Chariton Valley Communications Corporation's, request for expansion of its designation as an eligible telecommunications carrier for the purpose of receiving federal high-cost and low-income support to include the entire state of Missouri; and grant such other and further relief as the Commission considers just in the circumstances.

Respectively submitted,

/s/ Whitney Payne

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served by electronic mail, or First Class United States Postal Mail, postage prepaid, on this 28th day of November, 2018, to all counsel of record.

/s/ Whitney Payne

MEMORANDUM

To: Missouri Public Service Commission Official Case File
Case No. CA-2019-0108

From: Kari Salsman, Utility Policy Analyst I
John VanEschen, Utility Regulatory Manager
Telecommunications Department

Subject: Staff's Recommendation to Approve Chariton Valley Communications Corporation's Request for Expansion of Existing ETC Designation

Date: November 28, 2018

On October 19th, Chariton Valley Communications Corporation (Chariton) filed an application for expansion of their designation as an Eligible Telecommunications Carrier (ETC)¹ for the purpose of receiving federal high cost and low-income support. The company later supplemented its application. Chariton is a certificated basic local exchange and interexchange telecommunications services provider in Missouri.² The company was recently awarded Connect America Fund Phase II support in a reverse auction process.³ The funding requires the company to extend broadband service to a designated number of locations in certain census blocks.⁴ The company needs to obtain ETC status for these census blocks by February 2019 in order to begin receiving this funding. Chariton seeks to expand their ETC designation to the entire state of Missouri, in which the company will also be seeking Missouri USF support for lifeline and disabled purposes, in addition to the won census blocks.

Federal authority enables state commissions to grant ETC status to a company.⁵ Missouri's ETC application requirements are contained in existing Missouri Commission rule 4 CSR 240-31.130(1). Staff reviewed the company's request for compliance with Missouri's rule as well as federal requirements.⁶ In Staff's opinion the company has adequately met all requirements to extend its designation as an ETC. Consequently Staff supports the company's application for expansion of their ETC status.

¹ ETC status granted in Case Nos. TA-2012-0128.

² Case No. TA-2002-238 and CA-2006-0160.

³ The company has been awarded \$4,179,665.50 over 10 years to extend broadband service to 847 locations. The broadband speed for these locations can vary but will generally be 10/1 Mbps or higher depending on the bid.

⁴ Census block service areas are listed in Exhibit A1 of ETC expansion application.

⁵ 47 U.S.C. §214(e)(2) and FCC rule §54.201.

⁶ FCC Public Notice; WCB Reminds Connect America Fund Phase II Auction Applicants of the Process for Obtaining a Federal Designation as an Eligible Telecommunications Carrier; WC Docket Nos. 09-197, 10-90; DA 18-714; released July 10, 2018.

Staff recommends the Commission expand Chariton Valley Communications Corporation's ETC status for the purpose of receiving federal high-cost support in the area identified by census blocks in Exhibit A1 of the company's initial filing, and expand the ETC designation to the entire state of Missouri for the purpose of receiving federal low-income support.