

**BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C.**

In the Matter of)	
)	
Connect America Fund)	WC Docket No. 10-90
)	
Universal Service Reform – Mobility Fund)	WT Docket No. 10-208
)	
ETC Annual Reports and Certifications)	WC Docket No. 14-58
)	
Establishing Just and Reasonable Rates for Local Exchange Carriers)	WC Docket No. 07-135
)	
Developing a Unified Inter-carrier Compensation Regime)	CC Docket No. 01-92
)	

**MISSOURI SMALL TELEPHONE COMPANY GROUP
REPLY COMMENTS**

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I. INTRODUCTION

The Missouri Small Telephone Company Group (MoSTCG)¹ is made up of thirty-five (35) small telephone companies, each serving between approximately 200 and 15,000 access lines in predominantly rural, high-cost areas within the state of Missouri. The exchanges served by the MoSTCG cover over 12,000 square miles in the state of Missouri. The members of the MoSTCG are Eligible Telecommunications Carriers (“ETCs”) as defined by the Telecommunications Act, and are “small entities” and “small businesses” as defined by the Federal Communications Commission (“Commission” or “FCC”). The MoSTCG companies have invested millions of dollars in their networks in order to provide high quality broadband and voice services to their rural Missouri customers.

II. REPLY COMMENTS ON THE FCC’S *NPRM*

A. The MoSTCG Supports the Comments by the Rural Associations.

The MoSTCG concurs with many of the Initial Comments filed by the Rural Associations (national associations NECA, NTCA, WTA, and ERTA, joined by the state associations or alliances from eleven states).² Specifically, the MoSTCG supports the Rural Associations' proposals for: (1) Support for Data-Only Broadband Service; (2) defining a "Reasonable Request" and establishing sufficient funding for small rural local exchange carriers to provide 10 Mbps Downstream Broadband speeds; and (3) establishing and evaluating rules for determining competitive overlaps, including a petition process for competitors to initiate claims of unsubsidized service area overlaps.

¹ See Attachment A.

² COMMENTS OF THE RURAL ASSOCIATIONS: NTCA – The Rural Broadband Association; WTA – Advocates for Rural Broadband; Eastern Rural Telecom Association; National Exchange Carrier Association, Inc. et al., filed August 8, 2014.

1. The MoSTCG Supports the Rural Associations' Data-Only Broadband Service Support Mechanism.

The Rural Associations have proposed Data-only Broadband (DOBB) Support and also urged prompt implementation of a Connect America Fund (CAF) for areas served by rural rate-of-return local exchange carriers (RLECs). The Rural Associations observe, "No reliable method to develop forward-looking costs is available for RLECs and the proposed DOBB Support mechanism, which bases DOBB loop costs on actual costs with several very simple but specific forward-looking controls on future investment levels . . . is the best and least complicated alternative to achieve the need for timely provision of broadband focused support for RLECs."³ The MoSTCG agrees with the Rural Associations' Data-Only Broadband Support suggestions.

2. The MoSTCG Supports the FCC's Proposal to Increase Speed Requirements to 10 Mbps Downstream as Long as Clear Guidelines Are Established for Defining "Reasonable Requests" and Providing Sufficient Funding.

The Rural Associations' Initial Comments addressed the FCC's proposal to increase speed requirements to 10 Mbps downstream and recommended that the FCC: (a) establish guidelines for sufficient funding; and (b) clearly define "reasonable requests" for such service. The Rural Associations explained that such increased speed requirements cannot be achieved in high-cost rural areas without sufficient funding.⁴ The MoSTCG agrees that sufficient funding for rural, rate-of-return carriers is necessary to meet the FCC's proposed 10 Mbps downstream proposal in rural Missouri. The MoSTCG also agrees with the Rural Associations' suggestion to clarify "reasonable

³ Rural Association Comments, p. 16.

⁴ *Id.* at p. 30.

request" to allow a requested carrier to consider whether it can "cost-effectively extend a voice and broadband-capable network to [a particular] location, including whether its anticipated end-user revenues from the voice and retail broadband Internet access services to be offered over the extended facilities, plus other sources of support such as federal and state universal service, will cover the cost of the service extension."⁵

3. The FCC Should Implement and Thoroughly Assess the “100% Overlap Rule” Before Implementing New Rules Limiting Cost Recovery in Areas Served by Would-Be Competitors.

The Rural Associations state that the FCC should “reject the notion that a would-be competitor for purposes of disqualifying an area for USF/CAF support could be either ‘subsidized’ or ‘unsubsidized.’”⁶ The Rural Associations also recommend that the FCC “refrain from considering any changes to the existing rules governing ‘competitive overlaps’ (including both the ‘qualifying competitor’ change and any preclusion of recovery of new investments through USF support in ostensibly competitive areas) until it has completed the study area boundary reconciliation process and then . . . implemented and assessed the workings of the existing ‘100% competitive overlap’ rule as codified in the most recent *Order*.”⁷ The MoSTCG agrees with both points.

4. Asserting Competitors Should be Required to Initiate Claims of Service Area Overlaps and Unsubsidized Competition by Petition and Bear the Evidentiary Burden for Such Claims.

The Rural Associations recommend that unsubsidized competitors should follow a data-

⁵ *Id.* at p. 32.

⁶ *Id.* at p. 42.

driven procedure to initiate claims of service area overlaps. This process would include serving a petition on the FCC, the applicable state public utility commission, the applicable state consumer advocate, and any affected RLEC. The Rural Associations explain that this process correctly places the evidentiary burden on the would-be competitor – “the party that should possess the most accurate and current information as to the scope and capabilities of its own network reach and service offerings.”⁸ The Rural Associations also suggest that any purportedly unsubsidized competitor be required to certify “that it does not directly or indirectly receive high-cost support of any kind, nor cross-subsidize its operations in serving consumers at each identified location with revenues from other areas of operation or sources.”⁹ The MoSTCG agrees that competitors should be the parties that file petitions and bear the burden of proof to demonstrate overlaps by unsubsidized competitors, which should include the requirement to certify no receipt of cross-subsidies or high-cost support.

III. CONCLUSION

The MoSTCG supports the Rural Associations' proposals for Data-only Broadband Service. The MoSTCG also supports the Rural Associations' comments on defining a "Reasonable Request" and establishing sufficient funding for small rural LECs to provide 10 Mbps Downstream Broadband speeds. The MoSTCG concurs in the Rural Associations' comments on establishing and evaluating rules for determining competitive overlaps, including a petition process for competitors to initiate claims of unsubsidized service area overlaps.

⁷ *Id.* at p. 44.

⁸ *Id.* at p. 45.

⁹ *Id.* at p. 50.

Respectfully submitted,

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ATTACHMENT A

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Chariton Valley Telephone Corporation
Choctaw Telephone Company
Citizens Telephone Company of Higginsville, Mo.
Craw-Kan Telephone Cooperative, Inc.
Ellington Telephone Company
Farber Telephone Company
Fidelity Telephone Company
Goodman Telephone Company
Granby Telephone Company
Grand River Mutual Telephone Corp.
Green Hills Telephone Corp.
Holway Telephone Company
Iamo Telephone Company
Kingdom Telephone Company
KLM Telephone Company
Lathrop Telephone Company
Le-Ru Telephone Company
Mark Twain Rural Telephone Company
McDonald County Telephone Company
Miller Telephone Company
MoKan Dial, Inc.
New Florence Telephone Company
New London Telephone Company
Northeast Missouri Rural Telephone Company
Orchard Farm Telephone Company
Oregon Farmers Mutual Telephone Company
Otelco Mid-Missouri LLC
Ozark Telephone Company
Peace Valley Telephone Co., Inc.
Rock Port Telephone Company
Seneca Telephone Company
Steelville Telephone Exchange, Inc.
Stoutland Telephone Company