

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

In the Matter of a Proposed Amendments)	
4 CSR 240-31.010, 4 CSR 240-31.030, 4)	
CSR 240-31.050, 4 CSR 240-31.060, 4)	Case No. TX-2005-0460
CSR 240-31.080)	

**COMMENTS OF THE STAFF OF THE
MISSOURI PUBLIC SERVICE COMMISSION**

COMES NOW the Staff of the Missouri Public Service Commission (Staff), and, pursuant to the Notice to Submit Comments published in the *Missouri Register* on August 1, 2005, submits the following comments:

I. INTRODUCTION

In the August 1, 2005, edition of the *Missouri Register*, the Missouri Public Service Commission (Commission) published the following proposed amendments, 4 CSR 240-31.010 – Definitions, 4 CSR 240-31.030 – The Fund Administrator, 4 CSR 240-31.050 – Eligibility for Funding – Low-income Customers and Disabled Customers, 4 CSR 240-31.060 – Assessment for MoUSF Funding and 4 CSR 240-31.080 – Applications for MoUSF Funds. The purpose of the amended rules is to clarify various discrepancies in the Commission rules, to incorporate various requirements pursuant to new Federal Communications Commission (FCC) rules and to include two new programs to allow customers to qualify for low-income assistance.

The proposed amendments largely make permanent emergency rules published in June 2005 to meet FCC guidelines. Since the substantive changes in the proposed amendments incorporate federal requirements, no fiscal impact is anticipated by these proposed amendments to the Commission rules. Although compliance with some of the Commission’s amended rules

may entail additional expenditures, the Commission's amendments simply require compliance with new Federal Communications Commission mandates, and the Commission is implementing these rules as directed by the Federal Communications Commission. The state requirements cause minimal additional cost.

II. COMMENTS

4 CSR 240-31.010(4)

This amendment modifies the definition of "disabled customer" to include dependents of telecommunications customers that reside in the same household and meet the statutory definition of "disabled". This amendment is being proposed to provide clarity between the existing rules, previous Commission orders and company tariffs, all of which had different language on the treatment of dependents. This amendment was included in the emergency rule. The Staff supports this proposed amendment for clarification.

4 CSR 240-31.010(9)

This amendment adds two new programs, the National School Lunch Program's free lunch program and Temporary Assistance for Needy Families, as additional means for customers to qualify for low income assistance. This amendment was included in the emergency rule and Staff supports this proposed amendment. Inclusion of these programs is consistent with the FCC new rules, which were an attempt to increase subscribership to the federal Lifeline program.

In June 2005, an individual wrote a letter to the St. Louis Post-Dispatch expressing concerns that recent changes in eligibility for Medicaid would reduce the number of customers that qualify for low income assistance in Missouri. The Staff contacted representatives of Missouri local exchange companies and was assured that customers would not lose assistance simply because of a change in eligibility requirements, although all indicated the emergency and

proposed rules as published would allow such discontinuance of assistance. To remove uncertainty, the Staff proposes the definition of “low-income customer” be further modified consistent with “disabled customer” to include dependents within the household as meeting the qualifications for a customer to receive low income assistance. Staff also contacted a representative of the Department of Social Services concerning information gathered for dependents in the household when receiving support assistance. Dependents name, address and social security number are noted for any individual within a household receiving assistance.

(9) Low-income customer – Any customer who requests or receives residential essential local telecommunications service and who *[has been certified by the Department of Social Services as economically disadvantaged by participation]* **participates or has a dependent residing in the customer’s household that participates** in Medicaid, food stamps, Supplementary Security Income (SSI), federal public housing assistance of Section 8, **National School Lunch Program’s free lunch program, Temporary Assistance for Needy Families** or Low Income Home Energy Assistance Program (LIHEAP).

4 CSR 240-31.030

This section of the proposed amendment updates certain statutory references. In addition, the proposed amendment to section (2) clarifies that the books and records of the fund administrator are open records while records containing company-specific information shall not be opened unless release is approved and authorized by the board. This amendment is consistent with Commission rules which treat certain company-specific information such as line count data as confidential upon request of the company. Therefore, the Staff supports this proposed amendment.

4 CSR 240-2.050(2) (C) and (D)

This proposed amendment incorporates federal reporting requirements for telecommunications companies providing low income assistance. To limit the fiscal impact that would be imposed by this federal requirement, the requirements were not expanded to the

disabled program since it is a Missouri-only program. However, in section (D), companies that purchase low income or disabled discounted wholesale or resold services are required to maintain records demonstrating compliance with all commission regulations for low-income customer or disabled customer programs. Since these companies are removed from direct Commission, board or administrator purview, the Staff suggests this requirement is reasonable to ensure proper use of the fund. The amendments were included in the emergency rule and the Staff supports these proposed amendments.

4 CSR 240-31.050(3) (D), (E) and (F)

The proposed amendments to section (3) largely incorporate federal requirements that telecommunications companies annually verify a customer's continued eligibility and notify a customer before terminating low-income customer or disabled customer support, allowing the customer sixty days to provide evidence of continued eligibility. The federal requirement that a telecommunications company is to annually verify a customer's continued eligibility was seen as particularly burdensome and potentially costly during discussions with telecommunications company representatives. Some companies already had verification procedures in place, others had developed or were developing national standards and others had no procedures since this was a new requirement. To alleviate some of the burden, the proposed rule allows companies to establish their own verification procedures by December 31, 2005 rather than mandating specific verification requirements for all telecommunications companies. Since Missouri employs a self-certification process subject to audit by the fund administrator, company-established verification processes should be sufficient to meet the FCC requirements and should limit any burdens or fiscal impact to those burdens or impacts imposed by the federal requirements.

The proposed amendment also clarifies that a customer's application for assistance shall be used to qualify the customer for both federal and state assistance. This additional proposed amendment reduces the burden on the customer and the telecommunications companies in certifying eligibility for each program.

These amendments were included in the emergency rule. Staff supports the proposed amendments.

4 CSR 240-31.060

This section of the rule is being amended for clarification purposes only. References to "telecommunications companies" are being replaced with references to "applicable carriers". According to the definitions in 4 CSR 240-31.010, only the subset of telecommunications carriers that qualify as "applicable carriers" are subject to assessment and net jurisdictional revenue calculations; therefore, references to "telecommunications companies" were inaccurate.

This section is also being modified to clarify that the board reviews and "authorizes" the percentage assessment "to be submitted to the commission for approval". The existing rule language indicates the board "approves" the assessment. Since this is an amount to be placed on customer bills via commission rule and company tariff, the commission is the body authorized to approve the tariffed amounts. The Staff supports the proposed amendments to provide clarity.

4 CSR 240-31.080(1) and (2)

These amendments are being proposed to correct statutory and rule references that are outdated or have been modified. Instead of referencing other rules or statutes which have been or may be modified, language was added to require applications for MoUSF funds to include a statement that the information provided is consistent with Chapter 31 of the Commission rules and that any false statements or declarations shall be referred for prosecution. Language was

also added such that requests by the fund administrator would be verified under oath. Staff supports the proposed amendments because they do not incorporate any new requirements, but prevent future inconsistencies between this section and other rules or statutes.

WHEREFORE, the Staff of the Missouri Public Service Commission respectfully submits these comments on the proposed rule.

Respectfully submitted,

DANA K. JOYCE
General Counsel

/s/ David A. Meyer

David A. Meyer
Senior Counsel
Missouri Bar No. 46620

Attorney for the Staff of the
Missouri Public Service Commission
P.O. Box 360
Jefferson City, MO 65102
(573) 751-8706 (Telephone)
(573) 751-9285 (Fax)
david.meyer@psc.mo.gov

Certificate of Service

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronic mailed to all counsel of record this 1st day of September 2005.

/s/ David A. Meyer

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

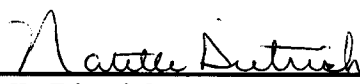
In the Matter of Proposed Amendments to)
the Missouri Universal Service Fund)
Rules

Case No. TX-2005-0460

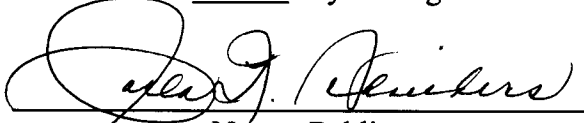
VERIFICATION OF NATELLE DIETRICH

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

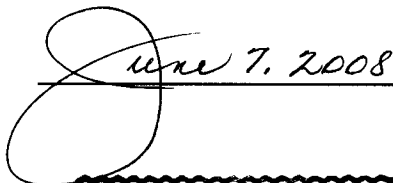
Natelle Dietrich, of lawful age, on her oath states: (1) that she is a member of the Staff of the Missouri Public Service Commission; (2) that she has participated in the development of the proposed amendments to the Commission's rules; (3) that she has participated in the preparation of Staff's comments in support of the proposed amendments; (4) that she has knowledge of the matters set forth in those comments; and (5) that such matters are true and correct to the best of her knowledge and belief.


Natelle Dietrich, Regulatory Economist III
Telecommunications Department
Utility Operations Division

Subscribed and sworn to before me this 31st day of August 2005.


Notary Public

My Commission Expires:


June 7, 2008

