

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

In the Matter of an Investigation Into)	
Various Issues Related to the Missouri)	Case No. TO-98-329
Universal Service Fund.)	

**SPRINT'S RESPONSE TO STAFF'S MOTION FOR COMMISSION
ORDER DIRECTING FUND ADMINISTRATOR ASSESSMENTS
AND CARRIER SURCHARGES AND MOTION FOR CLARIFICATION**

COMES NOW Sprint Missouri, Inc. and Sprint Communications Company, L.P. (herein collectively referred to as "Sprint") and for its Response to Staff's Motion for Commission Order Directing the Fund Administrator to Begin Collecting Assessments and Motion for Clarification requests that certain preliminary activities be accomplished by the Fund Administrator before the Administrator can begin assessing carriers and states as follows:

1. In July 2004, the Missouri Universal Service Fund Board selected an Administrator to implement and administer the Low-Income/Disabled portion of the Missouri Universal Service Fund ("MoUSF") as established by the Commission in its Report and Order dated March 22, 2002.

2. On October 15, 2004, the Commission Staff filed a Motion requesting that the Commission (1) direct the MoUSF Administrator to begin assessing carriers on January 1, 2005, and (2) direct the Data Center to send notice to all certificated telecommunications companies¹, advising them that they may begin billing their customers the MoUSF surcharge on January 1, 2005. Staff noted in its Motion that the proposed dates were acceptable to the Administrator.

¹ Except payphone providers and STS providers

3. Sprint supports Staff's intent of implementing the Low-Income/Disabled portion of the MoUSF as soon as practical; however, Sprint is concerned that many of the Initial Action Items outlined in the Commission's Report and Order dated March 22, 2002 have not been achieved. In that Report and Order, the Commission identified the following list of Initial Action Items:

INITIAL ACTION ITEMS

Missouri Public Service Commission

1. Order resolving the issues related to assessments and method of recovery.
2. Order establishing low-income and disabled funding amounts (\$3.50).
3. Complete rulemaking to adopt proposed rule changes and additions.
4. Approval of company tariffs implementing Lifeline rate changes.

Missouri Universal Service Fund Board

1. Establish the following administrative procedures for a Fund Administrator:
 - a.) Administrative Procedure# 1 (audits of self-certification)
 - b.) Administrative Procedure #2 (disqualification of customers)
2. Retain independent neutral fund administrator.
 - a.) Issue Request for Proposal
 - b.) Select a Fund Administrator
3. Establish initial assessment amount.

Fund Administrator

1. Gather data for initial estimate of assessment amount.
2. Establish administrative procedures for accepting applications from companies.
3. Establish general administrative procedures for fund receipt and disbursement.
4. Establish procedures for data exchange for eligibility verification.

Telephone Companies

1. Apply for Missouri Universal Service Fund eligibility.
2. Develop and file tariffs to implement changes to Lifeline service.
3. Develop and file tariffs to implement USF surcharge, if the Commission approves and a company implements recovery of its USF assessment directly from its customers.
4. Internal training of customer contact people as needed.

Other

1. Complete development of outreach materials and get them published.

4. Sprint has not had an opportunity to complete any of the Telephone Company Initial Action Items due to the fact that the needed information has not yet been made available. In fact, Sprint is unaware of any Telephone Company that has completed all the Initial Action Items for the same reason noted above. Specifically, Sprint cannot apply for the MoUSF eligibility until such time the Administrator establishes an administrative process. Furthermore, Sprint cannot prepare tariffs for Commission approval until such time an initial assessment amount has been established. Finally, Sprint cannot give its customers ample notification or begin other outreach initiatives until a rate has been established.

5. Rather than pick a specific date, Sprint respectfully request that the Commission allow Telephone Companies 90 days to complete the required action items from the date the Commission and/or Administrator establishes the rate and other required administrative procedures. Sprint also requests that the surcharge be implemented in such a way that fractionalized charges are not required on customers' bills.

6. The Staff also requested that the Commission clarify an inconsistency in the Commissions MoUSF rules regarding funding for the MoUSF. Sprint supports Staff's request for clarification.

WHEREFORE, Sprint respectfully requests that the Commission establish the dates on which assessments are to begin and on which carriers may begin assessing a

surcharge as 90 days after the date the necessary administrative functions are accomplished.

Respectfully submitted,

SPRINT



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CERTIFICATE OF SERVICE

The undersigned hereby certifies that on this 25 day of October, 2004, a copy of the Sprint's Response to Staff's Motion for Commission Order in Docket No. TO-98-329 was served by placing a copy of the same in the U.S. Mail, postage prepaid, addressed to each of the following:

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