

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

In the Matter of the Missouri Relay    )  
Surcharge Collection by McLeodUSA    )     Case No. TO-2008-\_\_\_\_\_  
Telecommunications Services, Inc.        )

**STAFF’S VERIFIED MOTION TO OPEN CASE**

COMES NOW the Staff of the Missouri Public Service Commission and for its verified motion states:

1.     Section 209.255 RSMo directs the Commission to establish a rate recovery mechanism to recover the costs of implementing and maintaining (1) a statewide system to connect deaf, hearing-impaired and speech-impaired persons with telecommunications devices for the deaf and the telephone system, and (2) a statewide telecommunications equipment distribution program making available reasonable access to basic telecommunications service for eligible subscribers who are unable to use traditional telecommunications equipment due to disability (collectively, Relay Missouri) This statute provides that any surcharge established by such rate recovery mechanism shall not be imposed upon more than one hundred basic telephone access lines per subscriber per location and shall not be imposed on any telephone line used to provide pay telephone service.

2.     Section 209.257 RSMo provides that (1) the local exchange telephone company shall deduct and retain a percentage of the total surcharge amount collected each month to recover its billing, collecting, remitting and administrative costs, (2) the Commission shall set the retention percentage, and (3) local exchange telecommunications companies shall remit to the Commission the balance of the surcharge money collected.

3.     Pursuant to Sections 209.255 and 209.257, the Commission has established the Relay Missouri Surcharge Relay surcharge and set the retention percentage.

4. McLeodUSA Telecommunications Services, Inc., is a local exchange telecommunications company.

5. Through informal discovery, the Staff learned that McLeodUSA had been collecting the Relay Missouri Surcharge, but, through oversight, it had not been remitting the surcharge money to the Commission. The Staff also learned that McLeodUSA has not been billing the surcharge to its customers who are exempt from sales tax under Chapter 144, RSMo. The Staff also learned that McLeodUSA has been identifying the surcharge as the Deaf Tax Surcharge.<sup>1</sup>

6. McLeodUSA began remitting surcharge money to the Commission beginning in January 2007.

7. In the attached Highly Confidential Appendix A, the Staff has estimated the surcharge moneys owed by McLeodUSA through December 2006.

8. In the attached Appendix B, titled Stipulation and Agreement, McLeodUSA agrees to remit to the Commission for payment to the Deaf Relay Service and Equipment Distribution Program Fund the total amount of \$141,197, consisting of Staff's estimate of \$133,305 as the amount McLeodUSA owes plus a late payment charge of \$7,892. McLeodUSA also agrees to begin, by December 31, 2007, to bill the surcharge to its customers who are exempt from sales tax. McLeod USA further agrees to begin, by November 15, 2007, to identify the surcharge on its bills as the Relay Missouri Surcharge.

WHEREFORE, the Staff requests the Commission (1) to find the terms of the Stipulation and Agreement are reasonable and (2) to approve the Stipulation and Agreement.

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<sup>1</sup> The Commission directed that the surcharge appearing on the bill of each Missouri local exchange subscriber to pay for enhanced telephone service for the hearing and speech impaired shall be identified as the *Relay Missouri Surcharge*. *In the matter of the development of a rule to implement Enhanced Telephone Service for the Deaf and Hearing Impaired*, 30 Mo. P.S.C. (N.S.) 481, 482.

Respectfully submitted,

/s/ William K. Haas

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### **CERTIFICATE OF SERVICE**

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to the following on this 24<sup>th</sup> day of October 2007.

/s/ William K. Haas

William K. Haas

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