

# MEMORANDUM

To: Missouri Public Service Commission Official Case File  
Case No. XE-2005-0367  
Consolidated Communications Network Services, Inc.

From: Sherri Kohly  
Telecommunications Department

William L. Voight 04/21/05  
Utility Operations Division/Date

/s/Marc Poston 04/21/05  
General Counsel's Office/Date

Subject: Recommendation to Grant Expedited Request for Rule Waiver

Date: April 21, 2005

On April 15, 2005, Consolidated Communications Network Services, Inc. (CCNS), a competitive telecommunications company, filed an Application for Rule Waiver and Motion for Expedited Treatment. The Commission issued an Order on April 20, 2005, directing the Staff to file its recommendation no later than April 22, 2005.

CCNS is requesting a waiver of 4 CSR 240-31.065 which requires the surcharge for the Universal Service Fund (USF) assessment. The Commission's March 17, 2005 Order in Case No. TO-98-329, advises certificated telecommunications companies that they may begin billing the USF assessment on May 1, 2005. Although the Commission stated that all applicable carriers shall place on each retail end-user customer's bill, a surcharge equal to the percentage assessment ordered by the Commission to avoid any competitive advantages, CCNS requests a waiver of this rule. According to CCNS' application, the cost to add an additional line for the Missouri USF on each applicable end user's bill would cost CCNS more than the USF assessment itself. CCNS proposes to remit the required assessment directly to the administrator of the USF, from the collected revenues derived from its base rates.

Commission rule 4 CSR 240-2.060(4) allows the Commission to waive a rule if the applicant can provide justification setting out the good cause for granting the variance or waiver. Staff believes that CCNS' application provides good cause to grant CCNS' waiver request. Staff also believes that CCNS' request for expedited approval pursuant to 4 CSR 240-2.080(16), should be granted in order for CCNS to avoid a technical violation of 4 CSR 240-31.065. Therefore, Staff recommends that the Commission issue an order approving the expedited request for rule waiver.

☒ The Company is not delinquent in filing an annual report and paying the PSC assessment.  
☐ The Company is delinquent. Staff recommends the Commission grant the requested relief/action on the condition the applicant corrects the delinquency. The applicant should be instructed to make the appropriate filing in this case after it has corrected the delinquency.  
(☐ No annual report ☐ Unpaid PSC assessment. Amount owed: )