

Missouri Universal Service Fund Administrator Recommended Procedures



Targeted Mailing
Implementation of Surcharge Assessment Percentage
Collection of Surcharge Assessment
Disbursement of Funds Collected



Introduction

QSI Consulting, Inc. (hereinafter “QSI” or “Administrator”) in response to recent motions from the Missouri Public Service Commissions (“MoPSC”) Staff and SBC Missouri hereby submits the following recommended procedures for continued implementation of the Missouri Universal Service Fund (“MoUSF”).

Response to Concerns

In its Motion SBC Missouri sets forth two concerns. The first concern is based on the necessity to ensure sufficient cash flow for the MoUSF by properly timing events to ensure that funds are available to make support disbursements. Administrator agrees that this consideration must be addressed such that adequate cash flow is available. In Staff’s response to the initial response of SBC Missouri, Staff correctly noted that the Administrator is required to maintain a line of credit in the amount of \$500,000.00 for instances wherein cash flow may be inadequate. Based on the recommendations presented in this document Administrator does not believe that cash flows will become problematic and is comfortable in the knowledge that the line of credit may be drawn upon should cash flow issues arise.

The second concern expressed by SBC Missouri in its response to Staff’s motion was that the MoUSF not build up unnecessary cash. Administrator also shares this concern. At the January 21, 2005, MoUSF Board meeting Administrator indicated its intention to periodically recommend adjustments to the assessment percentage to the MoUSF Board. After deliberation among the MoUSF Board members, Administrator was informed of the potential for frequent requests for reviews of the assessment percentage and the impact on MoUSF funding levels. Administrator concurred that it would be wise to conduct those reviews.



Timing Issues and Recommended Dates

On September 28, 2005, Administrator presented a work plan to the MoUSF Board. The MoUSF Board approved the work plan with the understanding that certain dates would be treated as tentative. A copy of the approved work plan is attached to this response.

In its motion Staff sought an order that would direct applicable carriers to begin billing the end user surcharge on May 1, 2005. The Staff motion further requested the Commission to direct carriers to pay their assessments to the Administrator on the twenty-second day of every month, with the first assessment due on June 22, 2005. Administrator finds this schedule to be workable.

In response to the Staff motion, SBC Missouri at paragraph 9 continued on with a progression based on the dates proposed by Staff's motion. SBC Missouri proposed that carriers could begin to provide discounts effective June 1, 2005 and that carriers could seek reimbursements from the Administrator in early to mid-July, and that the Administrator would make disbursements no later than the last business day of July. Administrator finds the SBC Missouri amendments to the Staff schedule to be acceptable.

Administrator would recommend that the following key dates and activities be considered in addition to the proposed dates of Staff and SBC Missouri.



Timing Issues and Recommended Dates - continued

Next MoUSF

Board Meeting: Administrator shall present to the MoUSF Board for approval final forms for assessment and requests for support payment reimbursement. These forms will be patterned after Attachments 6 and 7 of the RFP. Those two RFP attachments are included along with this response.

Administrator shall present to the MoUSF Board estimated cash flow scenarios based on the assessment percentage and the suggested dates in this response.

March 21, 2005: Carriers should finalize development, testing and implementation of billing system and accounting system changes necessary to collect and record customer remittances of the MoUSF surcharge.

Carriers should prepare tariff revisions for filing with the MoPSC. Tariffs should be filed no later than March 31, 2005.

April 1, 2005

Or Before:

Carriers may begin providing billing inserts or language on the customer bill describing the surcharge that will begin May 1, 2005. Staff has concluded, based on all available rules and statutes, that notification is not required; however, nothing precludes carriers desiring to provide customer notification from disseminating such information.



Timing Issues and Recommended Dates - continued

May 1, 2005	If approved by the MoUSF Board to proceed, Administrator, with the assistance of the Missouri Department of Social Services, begins the targeted mailing as required in the MoUSF administration RFP. This mailing may target as many as 275,000 low income households and disabled individuals.
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Collection of Assessments

Administrator will be responsible for developing and sending delinquency notice(s) to each telecommunication company that is delinquent in remitting payment. Administrator shall assess an approved and appropriate penalty or penalties to be paid to the MoUSF for late assessment payments. As needed, Administrator will amend the penalties, with approval from the Board, as required to encourage timely payment.



Disbursement of Support Payments

Administrator shall issue support payments to local exchange carriers in a timely fashion. Administrator shall make disbursements by wire transfer, check, or other appropriate means to approved local exchange carriers. Administrator presently utilizes all these means of distribution yet will have additional work to accomplish to set up disbursement channels, including gathering information from recipients on their preferred method of payment.

Administrator will quantify and support the aggregate funding paid to all eligible local exchange carriers who submit applications for low-income or disabled support and estimate the potential outstanding funding requirement for eligible carriers.

The aggregate funding requirement estimate will be continually updated as new information is received. Administrator will provide reports to the Board for any such changes in funding requirements.

2005

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PROPOSED KEY DATES

March 17, 2005	PSC Order approving surcharge
March 21, 2005	Companies continue with implementation of billing system changes
April 1, 2005 or Before	Companies continue construction of tariff changes to file with MoPSC by March 31, 2005
May 1, 2005	Carriers may begin customer notification
June 1, 2005	Surcharge percentage application begins
June 22, 2005	Administrator begins targeted mailing
	Carriers begin providing discounts
	Carriers remit collected surcharges to Administrator

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PROPOSED KEY DATES

[illegible]