
WORK PLAN

This work plan describes the methods QSI Consulting will employ in administering the MoUSF during the contract period in the following key areas.

- Collect and summarize information with respect to the assessment base;
- Receive, review and process applications for support;
- Provide for the assessment of funding requirements;
- Assess and collect payments into the MoSUF;
- Process and collect late assessment payments;
- Disbursement payments for support;
- Perform annual targeted outreach mailings;
- Distribute targeted outreach materials on an annual basis;
- Participate in electronic and other audits as requested;
- Participate in hard copy audits are required.

Section 2.2.1 Initial Meeting to Review Work Plan

Date: August 19, 2004

QSI representatives will meet in Jefferson City, Missouri with the Board and other designees as determined by the Board, to discuss the required services, to review the contractor's methodology submitted in the contractor's original proposal and to obtain specific information, data, criteria and/or instructions necessary to finalize the proposed work plan.

The following will be accomplished during this meeting:

- 1) Introduction of MoUSF Board, Commission and Public Counsel staff, QSI administration team members, and banking partners.
- 2) Review the proposed work plan and make modifications as needed;

- 3) Additional discussion of Commission needs to further understand goals and objectives;
- 4) Review of data sources, data needs and software/reporting requirements;
- 5) Finalize key goals and objectives, project metrics and reporting requirements.

Additional Work Steps

Start Date: August 19, 2004

Estimated Completion: October 15, 2004

QSI representatives will meet with Central Bank personnel to establish banking accounts and credit lines as required by the RFP.

QSI will discuss with the MoUSF Board arrangements for the establishment of a Post Office Box.

Section 2.2.2 Revision and Transmittal of Final Work Plan

Date: September 28, 2004

QSI representatives will meet with the MoUSF Board in Jefferson City to finalize the revised work plan. Meetings will be held with the Missouri Department of Social Services to determine what information is available for disabled and low income citizens of Missouri.

After the completion of the initial meeting discussed under Section 2.2.1, QSI shall finalize and submit to the Board for review and approval, a work plan for the first year of the contract. The work plan shall include, but not be limited to: (1) a detailed schedule of planned activities and tasks and specific timeframes for their completion; (2) an estimate of the number of days required for completion of each activity or task; and (3) deliverables that will be provided as a result of the activities and tasks. The initial meeting will serve as the source of information for modifying the work plan. The final work plan, with specific assignments, deadlines and deliverables will be distributed to the parties.

Section 2.3.1 Revenue Collection Requirements and Activities

Start Date: September 7, 2004

Jurisdictional Revenue Inquiry Mailing: Send by October 15, 2004 – Process Responses by November 5, 2004

QSI shall determine the assessment base based on information provided by the Commission. That information would include:

- 1) A list of all telecommunications companies holding certificates of authority in Missouri, as called for in 4 CSR 240-31.060.
- 2) Any order identifying “other nondiscriminatory factors” described in 4 CSR 240-31.060(2), which will form the basis for the MoUSF assessments;
- 3) All information the Commission shall provide on an annual basis by December 31 of each year of the contract, or any information the Commission may provide more frequently if determined to be necessary.

Based on the information provided by the Commission regarding authorized telecommunications companies for the preceding calendar year, net jurisdictional revenues reported by the telecommunications carriers and other nondiscriminatory factors provided by the Commission, QSI will determine the basis for the MoUSF assessments. To facilitate this process, QSI shall mail requests using the Missouri USF Net Jurisdictional Revenue Report Form to every telecommunications company holding a Missouri certificate of service authority and collect the responses from the request form. The forms shall be mailed within fifteen (15) calendar days of receipt of the list of telecommunications companies and other non-discriminatory factors as provided by the Commission. QSI will include a due date for return of the request form to within thirty (30) calendar days of the telecommunications companies’ receipt of the request.

QSI shall coordinate with the telecommunications and information services departments of the Public Service Commission in September and March of each year to ensure that the list of telecommunications companies as reported on the Commission website is current and accurate.

Section 2.3.3 Assessment of Funding Requirements

Start Date: August 19, 2004

Transmit Assessment Percentage: November 12, 2004

QSI shall develop an estimate of the low-income and disabled support requirement based on information received from the local exchange carriers. The estimate will be supported by evidence in Commission Case No. TO-98-329, historic funding requirements and USAC reports regarding Lifeline subscribed lines for Missouri. After review of the economy and telecommunications industry in Missouri, the estimate may be adjusted to reflect projected growth and other relevant factors. QSI shall develop and provide an initial estimate of the support requirement to the Board within three (3) months of the award date of the contract. QSI will likely make adjustments to the estimate over time and as additional information is gathered and analyzed, and submit estimates to the Board on at least an annual basis. More frequent estimates will be submitted as deemed necessary by the Board.

QSI will develop a recommendation, supported by necessary documentation, regarding the percentage assessment on the net jurisdictional revenues of each telecommunications company which holds a certificate of authority in Missouri, necessary to meet the funding requirements, and to pay other costs and expenses to the MoUSF. The recommendation will be made to the Board within three (3) months of the receipt of the list of telecommunications companies and other discriminatory factors as provided by the Board.

QSI shall not modify the assessment percentage without approval from the Board. If circumstances change and QSI can support the need for a revised assessment percentage, a proposal shall be made to the Board. QSI shall provide a written report to the Board on a monthly basis of the status of fund receipts and disbursements. QSI shall keep the Board apprised of the relative level of the bank accounts vis a vis the assessments, so that adjustments can be made without disrupting the process or the ability to adequately fund local exchange carriers.

Section 2.3.4 Collection of Assessments

Start Date: November 15, 2004 – Transmit Assessment Notices

November 29, 2004 – Process Remittances

December 6, 2004 – Follow Up on Unpaid Assessments

QSI shall send assessment notices based on the Board's currently approved assessment rate, to applicable telecommunications companies that hold a certificate of service authority in Missouri, and collect the payments remitted. QSI will design, print and mail the notices after receipt of necessary information from the MoUSF Board, Commission staff, Public Counsel staff, and/or Department of Social Services.

QSI will also establish payment schedules for remittance of payments and amend the payment schedules, with approval of the Board, as necessary to maintain sufficient cash flow in the fund. QSI will abide by the payment schedule decided upon and identified in the work plan approved by the Board.

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

Section 2.3.5 Disbursement of Support Payments

Start Date: December 6, 2004 – Transmit Applications for Support Eligibility
December 20, 2004 – Process Applications
January 3, 2005 – First Disbursement of Support Payments

QSI shall issue support payments to local exchange carriers in a timely fashion consistent with the Board's approval of the individual carriers' applications. QSI shall make disbursements by wire transfer, check, or other appropriate means to approved local exchange carriers. QSI presently utilizes all these means of distribution and as such will have little additional work to accomplish to set up disbursement channels other than gathering information from recipients on their preferred method of payment.

QSI 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. A report showing payments shall be submitted to the Board within six (6) months after the issuance of the first support payment and every twelve (12) months thereafter.

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

Section 2.3.6 Monitoring

Start Date: October 4, 2004 – Work with Social Services to Determine Available Information

In order to evaluate the performance of the USF and the processes involved, QSI will perform an electronic audit of eligible customers by cooperating with the Department of Social Services to establish a data file containing information on individuals receiving low-income assistance through a qualifying program administered through the Department of Social Services OR perform a hard copy audit of a maximum of 1% of the number of customers receiving MoUSF support.

QSI shall establish procedures for a review of the eligibility of the low-income customers receiving benefits under the program. The review shall include an audit of a company's customers receiving assistance compared to those persons receiving assistance under the Department of Social Services administered programs. All customer information reviewed or received by QSI will be kept in the strictest confidence in accordance with procedures already in place to protect such information. QSI shall develop an auditing process to randomly and efficiently test the filings at both the federal and state level for consistency. QSI will also conduct other specific audits when directed by the Board.

QSI shall perform an annual mailing to qualified households based on a list to be established in cooperation with the Department of Social Services and/or QSI shall distribute brochures to applicable state agency offices and other central offices that serve low-income customers. The mailing list shall exclude those customers already receiving low-income assistance through a qualifying program. QSI shall develop and mail a one-page tri-fold brochure. The Board will provide the mailing list and the template for the brochure. QSI will be responsible for all copies of the brochure and postage related to distribution of the brochure. QSI will work directly with Missouri companies for printing and mailing the brochures to qualified households.

Section 2.3.7 Banking Requirements

Start Date: November 1, 2004 completion date for final banking arrangements

QSI has entered into a teaming agreement with Central Bank of Jefferson City for the deposit of monies and disbursement of payments in the name of the Missouri Universal Service Fund. QSI, together with Central Bank, shall ensure that all monies of the MoUSF are insured to the maximum extent permitted by law. Further QSI agrees to all the requirements, including liability issues, identified in the RFP for the management and treatment of these monies.

QSI agrees to secure a line of credit of not less than \$500,000 on behalf of the MoUSF. Discussions have been initiated with Central Bank on the establishment of the line of credit. Money shall be borrowed against the line of credit, solely for the purposes of paying expenses of the MoUSF and of making disbursements to qualified local exchange carriers during periods of temporary cash shortfall. All interest costs associated with the line of credit to the MoUSF shall be charged to the MoUSF.

QSI will establish a mechanism wherein the MoUSF board is immediately notified when any draws are made on the line of credit. QSI will make use of the on-line banking tools and applications provided by Central Bank and will use said tools to keep the MoUSF Board apprised of banking transactions.

Section 2.3.8 Monthly Bank Statements

Start Date: After November 29, 2004 when remittances are received and deposits are made

QSI shall provide monthly statements of the MoUSF account(s) to the Board including total amount paid, beginning balance, ending balance, interest earned, and all adjustments and deposits to the account, within five (5) business days following the end of each month. QSI further agrees to resolve all debit and/or credit discrepancies to the bank statement after being informed of the discrepancy by the Board.

QSI will develop detailed monthly statements and will provide those statements to the MoUSF Board in an automated fashion at prescribed intervals.

Section 2.3.9 Return of Monies

QSI agrees that within thirty (30) calendar days following the expiration or termination of the contract, any remaining balance in the account(s), less any amounts encumbered for payment of uncashed checks, shall be returned to the Board.

Section 3.6.4.a. Reports to be provided to the Board

Start Date: January 2005

As MoUSF Administrator, QSI understands that the following reports must be submitted to the Board at a minimum.

1. **Recommendation on Local Exchange Carriers Application for Support (Section 2.3.2.d)**

QSI will submit a written recommendation to the Board on each application received for USF support in three phases. Applications that meet Commission rules and orders and Board approved procedures without further modification will be immediately forwarded to the Board for approval. Applications containing deficiencies will be forwarded for approval as soon as those deficiencies are remedied. Applications containing deficiencies that cannot be remedied will be forwarded with a recommendation of rejection by the Board. QSI will submit a summary of applications that are pending for more than forty-five (45) days.

2. **Recommendation on Percentage Assessment for Initial Funding Requirement (Section 2.3.3.b)**

Start Date: November 12, 2004

QSI will submit a recommendation to the Board on the percentage assessment required to meet the initial support requirements developed by the Board. QSI will use the net jurisdictional revenue of each telecommunications company holding a certificate of authority in Missouri as the basis to determine funding sufficient to pay support and all MoUSF operating costs.

3. **Monthly Status Report on Fund Receipts and Disbursements (Section 2.3.3.c)**

Start Date: Beginning December 2004

QSI will submit a monthly status report to the Board on MoUSF Receipts and Disbursements. This report will contain QSI's assessment of the appropriateness of the current assessment percentage in conjunction with fund requirements. Changes to the assessment percentage will be formally requested in separate correspondence.

4. **Recommendation on Percentage Assessment for On-going Funding Requirements (Section 2.3.3.c)**

Start Date: December 2004 and ongoing

QSI will submit recommendations to request modifications to the percentage assessment when deemed necessary to fund support requirements and to maintain adequate bank balances.

5. **Report on Aggregate Funding Paid (Section 2.3.5.a)**

Start Date: July 2005

QSI will submit a report to the Board containing the aggregate funding paid to all eligible local exchange carriers within the first six (6) months after issuance of the first support payment. QSI will also estimate the potential outstanding funding requirement for

eligible carriers as of the report date and through the end of the MoUSF's fiscal year. Thereafter, a similar report will be issued every twelve (12) months.

6. Monthly Statement of the MoUSF Account(s) (Section 2.3.8)

Start Date: December 2004 and ongoing

QSI will provide a monthly statement of all MoUSF bank accounts to the Board containing the following within five (5) business days after the end of each month:

BEGINNING BALANCE

Add: Deposits from Contributions and Interest Earned

Add: Adjustments

Less: Support Payments Made and Operating Expenses

Less: Adjustments

ENDING BALANCE

ADDITIONAL ACTIVITIES:

Targeted Outreach Mailings:

Start Date: November 2004

QSI shall work with the Department of Social Services to develop and disseminate targeted outreach mailings. QSI shall also distribute outreach materials to agencies across the State.

Communication with MoUSF Board, Commission and Public Counsel staff, Department of Social Services, and remitting and recipient carriers .



ACTION ITEMS:

[illegible]