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OCT 30 2002
SECRETARY OF STATE
ADMINISTRATIVE FILES

MATT BLUNT
Secretary of State
Administrative Rules Division
RULE TRANSMITTAL

A "SEPARATE" rule transmittal sheet must be used for EACH individual rulemaking.

A. Rule Number 4 CSR 240-31.060

Diskette File Name MoUSF Rule 31.060 Amendment

Name of Person to call with questions about this rule:

Content Marc Poston Phone (573)751-8701 FAX (573)751-9285

Data Entry Natelle Dietrich Phone (573)751-7427 FAX (573)751-9285

Interagency Mailing Address Governor Office Building, 200 Madison Street, 8th Floor
Jefferson City, MO

Statutory Provision for Rulemaking

Authority §§ 392.200.2, 392.248 and 392.470.1. Provide Most Current RSMo Year 2000

Date Filed With the Joint Committee on Administrative Rules Not Applicable (Exempt pursuant To Section 536.037.3 RSMo 2000)

B. CHECK, IF INCLUDED:

FORMS, List by Mo-Form Number, # of Pages

☒ Cover Letter

☒ Affidavit

☒ Cost Statements

☐ Public Entity Fiscal Note

☒ Private Entity Fiscal Note

OTHER

C. RULEMAKING ACTION TO BE TAKEN

☐ Emergency Rulemaking, Must Specify Effective Date

☒ Proposed Rulemaking (New Rule or Amendment or Rescission of Existing Rule)

☐ Order of Rulemaking (MUST complete page 2 of this transmittal)

☐ Withdrawal (Rule, Amendment, Rescission or Emergency)

☐ Rule Action Notice

☐ In Addition

D. SPECIFIC INSTRUCTIONS: In this space indicate any special instructions (e.g., specify publication date preference, identify material incorporated by references, etc.)

RULE TRANSMITTAL (PAGE 2)

E. ORDER OF RULEMAKING: Rule Number N/A

1a. Effective Date for the Order

Statutory 30 days _____ or later specific date _____

1b. Does the Order of Rulemaking contain changes to the rule text?

YES _____ NO _____

1c. If the answer is YES, please complete section F. If the answer is NO, Stop here.

F. Please provide a complete list of the changes in the rule text for the order or rulemaking, indicating the specific section, subsection, subparagraph, part, etc., where each change is found.

(Start text here. If text continues to a third page, insert a continuous section break and, in section 3, delete the footer language that appears at the bottom of this page.)

NOTE: ALL changes MUST be specified here in order for those changes to be made in the rule as published in the *Missouri Register* and the *Code of State Regulations*.

Add additional sheet(s), if more space is needed.



Commissioners
KELVIN L. SIMMONS
Chair
CONNIE MURRAY
SHEILA LUMPE
STEVE GAW
BRYAN FORBIS

Missouri Public Service Commission

POST OFFICE BOX 360
JEFFERSON CITY, MISSOURI 65102
573-751-3234
573-751-1847 (Fax Number)
<http://www.psc.state.mo.us>

ROBERT J. QUINN, JR.
Executive Director
WESS A. HENDERSON
Director, Utility Operations
ROBERT SCHALLENBERG
Director, Utility Services
DONNA M. PRENGER
Director, Administration
DALE HARDY ROBERTS
Secretary/Chief Regulatory Law Judge
DANA K. JOYCE
General Counsel

October 30, 2002

Mr. Matt Blunt
Secretary of State

Administrative Rules Division
600 West Main Street
Jefferson City, MO 65101

Dear Secretary Blunt,

RE: 4 CSR 240-31.060 Assessments for MoUSF Funding

CERTIFICATION OF ADMINISTRATIVE RULE

I hereby certify that the attached is an accurate and complete copy of the proposed amendment lawfully submitted by the Missouri Public Service Commission for filing on this 30th day of October 2002.

The Missouri Public Service Commission has determined and hereby certifies that this proposed amendment will not have an economic impact on small businesses. The Missouri Public Service Commission also certifies that it has conducted an analysis of whether or not there has been a taking of real property pursuant to section 536.017 RSMo 2000 and that this proposed amendment does not constitute a taking of real property under relevant state and federal law.

Statutory Authority: Sections 392.200.2, 392.248 and 392.470.1 RSMo 2000.

If there are any questions, please contact:

Marc Poston, Senior Counsel
P.O. Box 360
Jefferson City, MO 65102
(573) 751-8701, FAX (573) 751-9285
marcposton@psc.state.mo.us

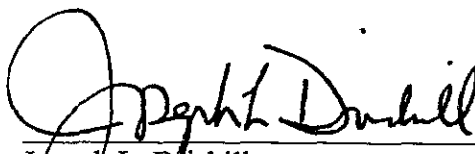
BY THE COMMISSION

Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

AFFIDAVIT

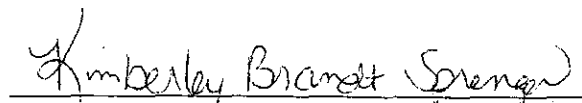
STATE OF MISSOURI)
)
COUNTY OF COLE)

I, Joseph L. Driskill, Director of the Department of Economic Development, first being duly sworn on my oath state that it is my opinion that the cost of Proposed Amendment 4 CSR 240-31.060 Assessments for MoUSF Funding, is less than five hundred dollars in the aggregate to this agency, any other agency of state government or any political subdivision thereof.



Joseph L. Driskill
Director
Department of Economic Development

Subscribed and sworn to before me this 8th day of October,
2002. I am commissioned as a notary public within the County of Cole,
State of Missouri, and my commission expires on April 29, 2006.


NOTARY PUBLIC

KIMBERLEY BRANDT SPRENGER
NOTARY PUBLIC STATE OF MISSOURI
COLE COUNTY
MY COMMISSION EXP. APR. 29, 2006

Title 4—DEPARTMENT OF ECONOMIC DEVELOPMENT
Division 240--Public Service Commission
Chapter 31--Missouri Universal Service Fund

RECEIVED

OCT 30 2002

SECRETARY OF STATE
ADMINISTRATIVE RULES

PROPOSED AMENDMENT

4 CSR 240-31.060 Assessments for MoUSF Funding. The commission is amending subsections (1), (5)(B) and (6)(A).

PURPOSE: This rule establishes and determines the methods of assessment for MoUSF funding.

- (1) All telecommunications companies providing telecommunications service as defined in section 386.020(53), RSMo [Supp. 1997] 2000 in Missouri will be subject to assessment for contributions to the Missouri Universal Service Fund (MoUSF).
- (2) Assessments for the MoUSF will be based on the Missouri net jurisdictional revenues of each telecommunications company and other nondiscriminatory factors as determined by the commission.
- (3) Assessments will be based on the level of net jurisdictional revenues from the preceding calendar year or for some shorter time period as may be determined by the commission.
- (4) Collection of Data for Assessments.
 - (A) The commission will furnish to the Fund Administrator by December 31 of each year, or more frequently as may be determined by the commission, a list of all telecommunications companies holding certificates of service authority in the state of Missouri.
 - (B) The Fund Administrator will periodically submit to each telecommunications company a request for information regarding its Missouri net jurisdictional revenues. Such report will be due to the Fund Administrator ninety (90) days from the receipt of the request.
- (5) Determination of Assessments.
 - (A) The Fund Administrator shall summarize the funding requests from companies serving high cost areas and from companies providing service to low-income customers and disabled customers to calculate a statewide funding requirement for the MoUSF. At the inception of the fund, the Fund Administrator may also make estimates of the funding requirements for those companies whose funding has not been finally determined.
 - (B) The Fund Administrator shall submit to the board its determination of the funding requirements, along with its determination of the revenues upon which the assessment shall be made, and the percentage assessment to be made upon the appropriate revenues of each telecommunications company **in the state except payphone**

providers, shared tenant service providers, and carriers with annual net intrastate jurisdictional revenues of less than \$24,000 annually.

(C) The board shall review the Fund Administrator's submission and approve an appropriate percentage assessment to be made upon the applicable revenues to each Missouri telecommunications company to provide funding for the MoUSF.

(6) Notices of Assessments.

(A) Notices of assessment shall be sent by the Fund Administrator to every telecommunications company *[notifying them of the assessment and the payments to be made]* **in the state except payphone providers, shared tenant service providers, and carriers with annual net intrastate jurisdictional revenues of less than \$24,000 annually. Such notices will inform the company of the assessment and the payment to be made.**

(B) Payments shall generally be assessed to be paid on a monthly basis although the Fund Administrator may establish payments on a quarterly or annual basis for those companies where it would be inefficient to collect payments on a monthly basis.

(7) Adjustments to Assessments.

(A) The Fund Administrator will report to the board on a monthly basis the status of fund receipts and disbursements. Included in this report will be the Fund Administrator's assessment of the appropriateness of the current assessment level in relationship to known fund requirements.

(B) The Fund Administrator will recommend to the board, or the board on its own action, may implement changes in assessment levels as is appropriate to adjust the fund's receipts to meet its funding obligations.

AUTHORITY: sections 392.200.2, 392.248 and 392.470.1, RSMo 2000.

** Original rule filed Aug. 15, 1997, effective April 30, 1998. *Original authority: 392.200, RSMo 1939, amended 1987, 1988, 1996; 392.248, RSMo 1996; and 392.470.1, RSMo 1987. Amended: Filed October 15, 2002.*

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than \$500 in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than \$500 in the aggregate.

NOTICE TO SUBMIT COMMENTS AND NOTICE OF PUBLIC HEARING: Anyone may file a statement in support of or in opposition to this proposed amendment with the Missouri Public Service Commission, Dale Hardy Roberts, Secretary, P.O. Box 360, Jefferson City, MO 65102, (573) 751-3234. To be considered, comments must be received within thirty days after publication of this notice in the Missouri Register. Comments should refer to Case No. TX-2002-1026. If comments are submitted via a paper filing, an original and eight (8) copies of the comments are required. Comments may also be submitted via a filing using the Commission's electronic filing and information system at <<http://www.psc.state.mo.us/efis.asp>>. A public hearing is

scheduled for January 22, 2003 at 10:00 a.m. in the Governor Office Building, 200 Madison Street, Jefferson City, Missouri, for interested persons to appear and respond to Commission questions. Any persons with special needs as addressed by the Americans with Disabilities Act should contact the Missouri Public Service Commission at least ten days prior to the hearing at one of the following numbers: Consumer Services Hotline 1-800-392-4211, or TDD Hotline 1-800-829-7541.

**FISCAL NOTE
PRIVATE ENTITY COST**

I. RULE NUMBER

Title: Missouri Department of Economic Development
Division: Missouri Public Service Commission
Chapter: Missouri Universal Service Fund
Type of Rulemaking: Revision
Rule Number and Name: 4 CSR 240-31.060 Assessments for MoUSF Funding

II. SUMMARY OF FISCAL IMPACT

Estimate of the number of entities by class which would likely be affected by the adoption of the proposed rule:	Classification* by types of the business entities which would likely be affected:	Estimate in the aggregate as to the cost of compliance with the rule by the affected entities:
3	Class A Local Telephone Companies	\$0
39	Class B Local Telephone Companies	\$0
71	Class C Local Telephone Companies	\$0
551	Class Interexchange Companies	\$0
	All entities	\$0

* Class A Telephone Companies are incumbent local telephone companies with more than \$100,000,000 annual revenues system wide; Class B Telephone Companies are incumbent local telephone companies with \$100,000,000 annual revenues or less system wide; Class C Local Telephone Companies are all other companies certificated to provide basic local exchange telecommunications services, Class Interexchange Companies are long distance providers.

III. WORKSHEET

1. The proposed rule applies to all classes of telecommunications companies certificated by the Missouri Public Service Commission, and was developed by the Missouri Universal Service Fund Technical Committee.
2. The estimated number of entities affected by the proposed rule reflects the total number of companies certificated within Missouri that could provide service if tariffs are amended as outlined in the proposed rule.

IV. ASSUMPTIONS

1. The life of the rule is estimated to be five years.
2. Fiscal year 2002 dollars were used to estimate costs. No adjustment for inflation is applied.
3. Estimates assume no sudden change in technology that would influence costs.
4. Affected entities are assumed to be in compliance with all other Missouri Public Service Commission rules and regulations.
5. The universe of entities is based upon data contained within the Missouri Universal Service Fund Model as presented before the Commission in Case No. TO-98-329 and is assumed to remain constant.
6. The estimated impacts, as developed by the Missouri Universal Service Fund Technical Committee, assume that the yearly cost of administering the fund and public outreach programs would be approximately \$500,000.
7. No company participating in the Missouri Universal Service Fund Technical Committee Meetings specifically identified any burdensome company specific implementation costs for the Missouri Universal Service Fund and thus none are assumed in this fiscal note. The estimated impacts do not include any costs for a verification or fraud detection process; the fund administrator and the MoUSF Board will finalize such a process.