

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

In the Matter of a Proposed Rulemaking to)	
Amend 4 CSR 240-31.050(3), Individual)	
Eligibility Requirements for Participation in)	Case No. TX-2008-0122
the MoUSF by Low-Income and Disabled)	
Customers.)	

**COMMENTS OF THE STAFF OF THE
MISSOURI PUBLIC SERVICE COMMISSION**

COMES NOW the Staff of the Missouri Public Service Commission (Staff), and, pursuant to the Notice to Submit Comments published in the *Missouri Register* on January 2, 2008, submits the following comments:

INTRODUCTION

In the January 2, 2008, edition of the *Missouri Register*, the Missouri Public Service Commission (Commission) published a proposed amendment to sections (D), (E), (F) and (H) of 4 CSR 240-31.050(3). This amendment establishes processes for the Missouri Public Service Commission and its Staff to complete audits of customers receiving low income or disabled support in response to a recommendation of the Missouri Universal Service Fund external auditor, McBride Lock & Associates. An independent, external audit of the Missouri Universal Fund (MoUSF) contained a recommendation that the MoUSF complete annual audits of one percent of the low income/disabled customers receiving support from the fund. The audit finding indicates that greater assurances of participant eligibility would be desirable to better ensure the appropriate disbursements of USF monies and to provide additional safeguards against fraud on the Universal Service Fund. The proposed amendment establishes processes for the MoPSC, its Staff and the telecommunications carriers to implement this audit recommendation.

COMMENTS

4 CSR 240-31.050(3)(D)

This subsection of the proposed amendment requires individuals who qualify for low-income or disabled support to complete a MoUSF Board-approved application. The application originally required the individual to certify under penalty of perjury that the individual or a dependent residing in the individuals household receives benefits from one of the qualifying programs, identifying the program(s). Under the proposed amendment the individual will be required to, sign a release so that the commission or its staff may confirm the customer's participation in the qualifying program(s). By signing the authorization, the applicant authorizes the appropriate federal, state, or local agency to confirm to the commission or its staff that the applicant was a participant in the qualifying program at the time the application was made, and as subsequently deemed necessary for purposes of annual verification or other examinations of eligibility – this authorization continues for the duration of the applicant's participation in the low-income or disabled program.

The proposed amendment also requires customers who qualify for low-income or disabled support must provide documentation of participation in the qualifying program. Finally, the proposed amendment requires that the telecommunications company develop a process for recording the type of documentation received and a process for returning or destroying the documentation once received.

Staff supports the proposed amendments because they address the concerns raised by the auditor while addressing consumer privacy concerns.

4 CSR 240-31.050(3)(E)

This subsection of the proposed amendment allows telecommunications company the ability to verify a customer's *continued* eligibility through documentation of participation in qualifying programs. The telecommunications company is responsible for developing a process for recording the type of documentation received and also a process for returning or destroying the documentation once recorded. The telecommunications company verification procedures shall be made available to commission staff and/or the Office of

Public Counsel for review if requested. Staff supports the proposed amendment because it addresses the concerns raised by the external auditor, while addressing consumer privacy concerns.

4 CSR 240-31.050(3)(F)

This subsection currently requires the telecommunications company to terminate an individual's enrollment in the low-income customer or disabled customer program if the individual ceases to meet eligibility requirements. The proposed amendment also requires termination of an individual's enrollment if the customer refuses to authorize the appropriate federal, state, or local agency to confirm to the commission or its staff that the individual or a dependent residing in the individual's household participates in one of the qualifying programs. Staff supports the proposed amendment because it provides the leverage needed to ensure customers authorize the appropriate federal, state or local authority to confirm the individual's enrollment in qualifying programs.

4 CSR 240-31.050(3)(H)

This subsection currently allows the Fund Administrator to conduct audits of individual self-certifications. The proposed amendment allows the commission or its staff the ability to conduct periodic, random audits of individual self-certifications using records that can be lawfully made available from agencies administering qualifying programs, or the commission or its staff may conduct audits using the records of the telecommunications company as outlined in 4 CSR 240-31.050(3)(E). Staff supports this amendment because it shifts the audits to the PSC, addressing concerns raised by other agencies that information, if allowed would be released to an independent third party, not an authorized entity.

WHEREFORE the Staff of the Commission, by and through counsel, hereby submits the Staff's comments on the Proposed Amendment of 4 CSR 240-31.050(3), Individual Eligibility Requirements for Participation in the MoUSF by Low-Income and Disabled Customers.

Respectfully submitted,

/s/ Sarah Kliethermes

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, hand-delivered, or transmitted by facsimile or electronic mail to all counsel of record this 4th day of February, 2008.

/s/ Sarah Kliethermes