

## Questions from MOUSF meeting:



1. With respect to the *Missouri USF Net Jurisdictional Revenue Report* questionnaire, when providing “Total Company Access Lines in Missouri,” please provide more detail as to the types of access lines that should be included (e.g., is it necessary to provide the number of business access lines versus residence lines, POTS versus other lines, etc.).

*Total company voice grade equivalent residential access lines are identified in the PSC annual report submitted by telecommunications companies. Respondents should separately provide the total of such residential lines and business lines in Missouri.*

2. With respect to the *Missouri USF Net Jurisdictional Revenue Report* questionnaire, when providing net jurisdictional revenue, do the carriers need to provide revenue information individually by category type (i.e., local service revenues, intrastate toll revenues, other revenues) or can the revenue be provided as a total revenue figure, in a combined fashion?

*Respondents should provide total revenue minus uncollectibles. Respondents need not break net jurisdictional revenue down into individual categories.*

3. Please describe the confidentiality protection that will be afforded to the information provided as a result of the *Missouri USF Net Jurisdictional Revenue Report*.

*Under the terms of the contract between the Missouri Universal Service Board and the Administrator, all information gained by the Administrator as a result of the Administrator's performance under the contract shall be confidential and no reports, documentation, or material prepared as required by the contract or received as a result of the contract shall be released to the public without the prior written consent of the Board. The Board may release only information that is otherwise publicly available. Any inconsistencies between the Administrator's contract and Missouri Universal Service rules will be corrected.*

4. How will the USF Surcharge be applied (e.g., percentage, per line fee, etc.)?

*4 CSR 240-31.065 (1) describes the surcharge as a percentage ordered by the Commission. The Commission has stated this in its Report and Order establishing the Low Income/Disabled Fund. A customer's surcharge amount is his monthly net jurisdictional revenue times the MoUSF percentage (assumes customer billed monthly).*

5. For carriers who follow the FCC's Part 32 accounting rules, please provide a mapping of “net jurisdictional revenues” as those relate to the Reporting Categories identified on the *Missouri USF Net Jurisdictional Revenue Report*.

*Please see Attachment A.*

## Questions from MOUSF meeting:



6. Should revenue related taxes be applied on the surcharge?

*It appears that the applicable Missouri Sales Tax may apply to the Missouri Universal Service Fund surcharge. See 12 CSR 10-3.188(6). For further clarification, interested parties may seek a Letter Ruling from the Missouri Department of Revenue. Federal and local taxes may also apply. However, the Administrator does not offer legal or tax advice and you should check with your accountant and/or attorney to draw your own conclusion.*

7. As it relates to customer notification and tariffing requirements, what are the notification guidelines that are applicable to the assessment (including any notification differences by carrier-type)?

- a. Can the customer notification period run parallel with the Commission's 30 day tariff review (i.e., if the Commission were to issue an order establishing a specific assessment percentage, and include in its order a requirement that carriers file tariffs, could the carriers issue customer notification on the same day they file the tariffs)?

*Notice is not required. Notice requirements under PSC rules relate to modifications or additions to rates and services, and the USF surcharge is not a rate or service.*

- b. Will carriers need to file tariff sheets to explain and/or support the assessment?

*Yes. All telecommunications carriers must file tariff sheets to set forth how they will collect the surcharge (Section 5 of the model tariff). Only companies that provide Low-Income and Disabled Assistance must file tariff sheets to describe the terms governing assistance availability.*

- c. Some carrier tariffs include boilerplate language related to the assessment of general taxes, fees and/or surcharges. Will that tariff language be sufficient to accommodate a Commission approved USF assessment, or will a new, specific tariff be required?

*No. Commission has an ongoing initiative to clarify what charges can or cannot appear on bill. The USF surcharge is mandated as a separate line item on bill, so this charge will be allowed under current initiative. This item should be tariffed separately as outlined in 7b and the model tariff to avoid any potential conflicts.*

- d. If a tariff is required, does it make sense for QSI, Staff or Public Counsel to provide a draft tariff that carriers could use to support the assessment?

*Please see Attachment B, model tariff.*

## Questions from MOUSF meeting:



8. Must the surcharge on the carriers' bill be identified by a specific name or reference? Can it be abbreviated?

*4 CSR 240-31.065 (2) states that the surcharge shall appear as a separate line item detailed as "Missouri Universal Service Fund." The Commission did not accept suggestions for abbreviations in its final order of rulemaking. A deliberate decision has been made that all words must be spelled out.*

9. Can QSI provide a strawman timeline that provides a reasonable process by which the assessment will ultimately be included on consumer bills (i.e., from the date wherein an estimated assessment percentage is determined, how much time is required – and to accommodate what steps – before the assessment can realistically be placed on the bill)?

*Yes. See Attachment C, timeline.*

10. For purposes of further discussion, can QSI provide a more detailed description of the remittance process it expects carriers to use in remitting assessment monies back to the administrator for eventual distribution? Is it possible for such a strawman process to include details related to timing differences for billing the assessment versus collecting the assessment and any additional tracking information QSI might find helpful for purposes of continued administration of the fund?

*A Missouri USF Assessment Form should be submitted monthly with assessment due by the 22<sup>nd</sup> of the following month (e.g., January 2005 net jurisdictional revenue times percentage assessment due February 22, 2005). Final assessment forms will be developed and approved in the near future.*

11. For purposes of further discussion, can QSI provide a strawman description of the distribution process wherein carriers can draw upon monies from the fund to assist low income and disability customers?

*A discount to customers will not be available until the fund has accumulated sufficient resources to allow for fair and proportionate distributions. Total support provided cannot be more than the underlying charges that are being offset. Final distribution forms will be developed and approved in the near future.*

**Net jurisdictional revenue shall include all revenues received by an applicable carrier from retail customers resulting from the provision of intrastate regulated telecommunications services, but shall not include revenue from payphone operations, taxes and collectibles. Revenues received from another provider of telecommunications services for the provision of switched and special exchange access services and for the provision of unbundled network elements and resold services, shall not be considered retail revenues. 4 CSR 240-31.010 (12)**

Account Title	Account	Description
Basic Local Service Revenue	5001	<p>(a) This account shall include revenue derived from the provision of the following: (1) Basic area message services such as flat rate services and measured services. Included is revenue derived from non-optional extended area services. Also included is revenue derived from the billed or guaranteed portion of semi-public services. (2) Optional extended area service. (3) Cellular mobile telecommunications systems connected to the public switched network placed between mobile units and other stations within the mobile service area. (4) General radio telecommunications systems connected to the public switched network placed between mobile units and other stations within the mobile service area, as well as revenue from mobile radio paging, mobile dispatching, and signaling services. (b) Revenue derived from charges for non-published number or additional and boldfaced listings in the alphabetical section of the company's telephone directories shall be included in Account 5200, Miscellaneous revenue. (c) Revenue from private mobile telephone services which do not have access to the public switched network shall be included in Account 5200, Miscellaneous revenue.</p> <p>[67 FR 5691, Feb. 6, 2002]</p>

Optional Extended Area Revenue	5002	This account shall include total revenue derived from the provision of optional extended area service.
Cellular Mobile Revenue	5003	This account shall include message revenue derived from cellular mobile telecommunications systems connected to the public switched network placed between mobile units and other stations within the mobile service area.
Private Line Revenue	5040	This account shall include revenue derived from local services that involve dedicated circuits, private switching arrangements, and/or predefined transmission paths, whether virtual or physical, which provide communications between specific locations (e.g., point-to-point communications). It includes revenue from subvoice grade, voice grade, audio and video program grade, digital transmission and local private network switching as well as the revenue from administrative and operational support services associated with private network services and facilities, e.g., charges for company-directed testing, expedited installation, and service restoration priority.
Other Basic Area Revenue <b>NOTE:</b> End User Revenue Only – Section (a). Do not include revenues associated with Sections (b) and (c).	5060	This account shall include: (a) Revenue from the provision of secondary features which are integrated with the telecommunications network such as call forwarding, call waiting and touch-tone line service. Also included is revenue derived from the provision of public announcement and other record message services, directory assistance and other call completion services (excluding operator assisted basic long distance calls), as well as revenue derived from central office related service connection and termination charges, and other non-premise customer specific charges associated with public network services. This account shall also include local revenue not provided for in other accounts. (b) Charges and credits resulting from contractual revenue pooling and/or sharing agreements for tariffed local network services only when they are not separately identifiable by local network services revenue accounts in the

		<p>settlement process. (See also Sec. 32.4999(e)). To the extent that the charges and credits resulting from a settlement process can be identified by Local Network Services Revenue account they shall be recorded in the applicable account. (c) Revenue derived from tariffed information origination/ termination plant. Included is revenue derived from the provision under leasing arrangements of tariffed customer premises equipment (CPE), terminal equipment, station apparatus and large private branch exchanges as well as tariffed nonrecurring charges related solely to station apparatus. Also included are all tariffed charges for customer premises activities and facilities not related solely to station apparatus.</p> <p>[67 FR 5691, Feb. 6, 2002]</p>
<p>Long Distance Message Revenue  <b>Note:</b> End User Revenue Only. Exclude any settlement revenues.</p>	<p>5100</p>	<p>This account shall include revenue derived from message services that terminate beyond the basic service area of the originating wire center and are individually priced. This includes those message services which utilize the public long distance switching network and the basic subscriber access line. It also includes those long distance calls placed from mobile and public telephones, as well as any charges for operator assistance or special billing directly related to the completion of a specific call. This account shall also include revenue derived from individually priced message services offered under calling plans (discounted long distance) which do not utilize dedicated access lines, as well as those priced at the basic long distance rates where a discounted toll charge is on a per message basis. Any revenue derived from monthly or one-time charges for obtaining calling plan services shall be included in this account. This account includes revenue derived from the following services: (a) Long distance services which permit unidirectional calls to a subscriber from specified services areas (multipoint-to-point service). These calls require the use of dedicated access lines connecting a</p>

	<p>subscriber's premises and a designated central office. These dedicated access lines are generally separate from those required for the subscriber to place outward calls. The call is billed to the subscriber even though it is generally initiated by the subscriber's customer or correspondent. (b) Long distance services which permit the subscriber to place telephone calls from one location to other specified service areas (point-to-multipoint service). These calls are completed without operator assistance and require the use of a dedicated access line. The dedicated access line is generally separate from those required for inward message services and cannot be used to place calls within the basic service area or calls outside the selected service areas. Outward calls are screened and blocked to determine whether the calls are within an authorized service area. (c) Services extending beyond the basic service area that involve dedicated circuits, private switching arrangements, and/or predefined transmission paths, whether virtual or physical, which provide communications between specific locations (e.g., point-to-point communications). Service connection charges, termination charges, rearrangements and changes, etc., shall be included in this account. Revenue derived from associated administrative and operational support services shall also be included in this account. (1) Narrow-band analog private network circuits and facilities furnished exclusively for record forms of communications, such as teletypewriter, teletypesetter, telewriter, ticker, Morse, signaling, remote metering, and supervisory services (2) Private network circuits and facilities (including multipurpose wide-band) which provide voice grade services for the transmission of analog signals. It includes revenue from services such as voice, data and telephoto communication, as well as remote metering, supervisory control, miscellaneous signaling and channels furnished for the purpose of extending customer--provided communications systems. It includes revenue</p>
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	<p>from the provision of facilities between customer premises and a serving office, a carrier distribution point, or an extension distribution channel. (3) Private network circuits and facilities furnished for audio program transmission purposes, such as radio broadcasting, sound recording (wired music) and loud speaker services. It includes revenue from the provision of facilities for the transmission of analog signals between customer premises and a serving office, a carrier distribution point, or an extension distribution channel furnished in connection with such services. It also includes revenue from facilities furnished to carry the audio portion of a television program if furnished under separate audio rates. If the rate for television program services includes both the picture and sound portion of the transmission, the revenue shall also be included in this account. (4) Private network circuits and facilities furnished for television program transmission purposes, such as commercial broadcast and educational or private television services. It includes revenue from the provision of facilities for the transmission of analog signals between customer premises and a serving office, a carrier distribution point, or an extension distribution channel furnished in connection with such services. It also includes revenue from both the picture and sound portions of transmission for television program service when provided under a combined rate schedule. (5) The provision of circuits and facilities for the transmission of digital signals only. (6) The provision of common user channels and switching capabilities used for the transmission of telecommunication signals between three (3) or more points in the network. Also included is revenue derived from the provision of basic switching and transfer arrangements used to connect private line channels. (7) Charges and credits resulting from contractual revenue pooling and/or sharing agreements for tariffed long distance public network services and for tariffed long distance private network services.</p>
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		[67 FR 5692, Feb. 6, 2002]
Miscellaneous Revenue	5200	This account shall include revenue derived from the following: (a) Alphabetical and classified sections of directories including fees paid by other entities for the right to publish the company's directories. It includes the classified section of the directories, the sale of new telephone directories whether they are the company's own directories or directories purchased from others. It also includes revenue from the sale of specially bound telephone directories and special telephone directory covers; amounts charged for additional and boldface listings, marginal displays, inserts, and other advertisements in the alphabetical of the company's telephone directories; and charges for unlisted and non-published telephone numbers. (b) Rental or subrental to others of telecommunications plant furnished apart from telecommunications services rendered by the company (This revenue includes taxes when borne by the lessee). It includes revenue from the rent of such items as space in conduit, pole line space for attachments, and any allowance for return on property used in joint operations and shared facilities agreements. The expense of maintaining and operating the rented property, including depreciation and insurance, shall be included in the appropriate operating expense accounts. Taxes applicable to the rented property shall be included by the owner of the rented property in appropriate tax accounts. When land or buildings are rented on an incidental basis for non-telecommunications use, the rental and expenses are included in Account 7300, Nonoperating income and expense. (c) Services rendered to other companies under a license agreement, general services contract, or other arrangement providing for the furnishing of general accounting, financial, legal, patent, and other general services associated with the provision of regulated telecommunications services. (d) The provision, either under tariff or through contractual arrangements, of special billing
<b>Note:</b> Only include End User Revenue as defined in Section (l) (3), (4) and (5).		

Revised as of October 1, 2003

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**ATTACHMENT A**

	<p>information to customers in the form of magnetic tapes, cards or statements. Special billing information provides detail in a format and/or at a level of detail not normally provided in the standard billing rendered for the regulated telephone services utilized by the customer. (e) The performance of customer operations services for others incident to the company's regulated telecommunications operations which are not provided for elsewhere. (See also Secs. 32.14(e) and 32.4999(e)). (f) Contract services (plant maintenance) performed for others incident to the company's regulated telecommunications operations. This includes revenue from the incidental performance of nontariffed operating and maintenance activities for others which are similar in nature to those activities which are performed by the company in operating and maintaining its own telecommunications plant facilities. The records supporting the entries in this account shall be maintained with sufficient particularity to identify the revenue and associated Plant Specific Operations Expenses related to each undertaking. This account does not include revenue related to the performance of operation or maintenance activities under a joint operating agreement. (g) The provision of billing and collection services to other telecommunications companies. This includes amounts charged for services such as message recording, billing, collection, billing analysis, and billing information services, whether rendered under tariff or contractual arrangements. (h) Charges and credits resulting from contractual revenue pooling and/or sharing agreements for activities included in the miscellaneous revenue accounts only when they are not identifiable by miscellaneous revenue account in the settlement process. (See also Sec. 32.4999(e)). The extent that the charges and credits resulting from a settlement process can be identified by miscellaneous revenue accounts they shall be recorded in the applicable account. (i) The provision of transport and termination of local</p>
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		<p>telecommunications traffic pursuant to section 251(c) and part 51 of this chapter. (k) The provision of unbundled network elements pursuant to section 251(c) of the Communications Act and part 51 of this chapter. (l) This account shall also include other incidental regulated revenue such as: (1) Collection overages (collection shortages shall be charged to Account 6620, Services.) (2) Unclaimed refunds for telecommunications services when not subject to escheats; (3) Charges (penalties) imposed by the company for customer checks returned for non-payment; (4) Discounts allowed customers for prompt payment; (5) Late-payment charges; (6) Revenue from private mobile telephone services which do not have access to the public switched network; and (7) Other incidental revenue not provided for elsewhere in other Revenue accounts. (l) Any definitely known amounts of losses of revenue collections due to fire or theft, at customers' coin-box stations, at public or semipublic telephone stations, in the possession of collectors en route to collection offices, on hand at collection offices, and between collection offices and banks shall be charged to Account 6720, General and Administrative.</p>
<p>Uncollectible Revenue  <b>Note:</b> Only Uncollectible Revenue associated with End User Revenue.</p>	<p>5300</p>	<p>This account shall be charged with amounts concurrently credited to Account 1170, Receivables.  [67 FR 5694, Feb. 6, 2002]</p>

**4 Lifeline Services**

**4.1 Low-Income Assistance**

**A. General** – A low-income customer is any customer who requests or receives residential essential local telecommunications service and who has been certified by the Department of Social Services (DSS) as economically disadvantaged. Qualified individuals will receive discounted services under either the low-income assistance or the disabled assistance program.

**B. Regulations** – Low income assistance is available to all residential customers who demonstrate, by self certifying with the company under penalty of perjury, that they are eligible for support by participation in:

- 1) Medicaid
- 2) Food stamps
- 3) Supplementary Security Income (SSI)
- 4) Federal Public Housing Assistance or section 8
- 5) Low Income Home Energy Assistance Program (LIHEAP)

**C. Eligible Services** - Essential local telecommunications service is defined as two (2) way switched voice residential service within a local calling scope as determined by the commission, comprised of the following services and their recurring charges:

- 1) Single line residential service, including touch-tone dialing and any applicable mileage or zone charges
- 2) Access to local emergency services, including, but not limited to, 911 service established by local authorities
- 3) Access to basic local operator services
- 4) Access to basic local directory assistance
- 5) Standard intercept service
- 6) Equal access to Inter-Exchange Carriers consistent with rules and regulations of the FCC
- 7) One (1) standard white pages directory listing
- 8) Toll blocking or toll control for qualifying low-income customers

ISSUED: November 1, 2000

EFFECTIVE: December 31, 2000

ISSUED BY: President Joe Guy  
P.O. Box 99999  
Our Town, MO 11111

Attachment #4

- D. Support Amount** – Customers eligible under the established criteria can receive a discount from their bill for essential local telecommunications service equal to the amounts approved by the Missouri Public Service Commission and the Federal Communication Commission. The amount of combined federal and state lifeline support for any customer will not exceed the sum of the federal Subscriber Line Charge (SLC) and the recurring charges for essential local telecommunications services (including the basic service rate, Touch-Tone calling charge, extended area service additive, and mileage additives, if any).

**4.2 Disabled Assistance**

- A. General** – A disabled customer, or a dependent, is a customer who requests or receives residential essential local telecommunications service, as defined in section 1(c) of this tariff, and meets the eligibility requirements set forth in this tariff.

- B. Regulations** - Disabled assistance is available to all residential customers who demonstrate, by self certifying with the company under penalty of perjury, that they, or a dependent, are totally and permanently disabled or blind and receiving any of the following:

- 1) Federal Social Security Disability benefits
- 2) Federal Supplemental Security income benefits
- 3) Veterans Administration benefits
- 4) State blind pension pursuant to Section 209.010 to 209.160, RSMo
- 5) State aid to blind persons pursuant to Section 209.240 RSMo
- 6) State supplemental payments pursuant to Section 208.030, RSMo Section 660.100.2 RSMo 2000.

- C. Support Amount** – Customers eligible under the established criteria can receive a discount equal to the amount approved by the Missouri Public Service Commission from their bill for essential local telecommunications service. The amount of state lifeline support for any customer will not exceed the recurring charges for essential local telecommunications services (including the basic service rate, Touch-Tone calling charge, extended area service additive, and mileage additives, if any).

ISSUED: November 1, 2000

EFFECTIVE: December 31, 2000

ISSUED BY: President Joe Guy  
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Our Town, MO 11111

Attachment #4

**5 – "Missouri Universal Service Fund"**

- A. Company will place on each retail end-user customer's bill, a surcharge equal to the Missouri Universal Service Fund percentage assessment ordered by the commission.
- B.** The surcharge will appear as a separate line item detailed as "Missouri Universal Service Fund."
- C.** The surcharge percentage will be applied to the total of each customer's charges for intrastate regulated telecommunications services that meet the definition of net jurisdictional revenues at 4 CSR 240-31.010(12).



## ACTIVITY TIMELINE MODEL

DAY	ACTIVITY	Commission Order	Billing Preparation	Tariffs
0	Commission issues Order including assessment percentage and directions regarding tariffing and notification (including draft tariff language if helpful)			
1				
2				
3				
4	Carriers notify billing departments/vendors regarding specifics of Commission's order (i.e., assessment percentage) and begin final development for billing. Carriers work with tariffing and billing departments to issue tariffs and customer notification. Target "on bill" date provided below in yellow.			
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11	Tariffs filed at any time - see sample tariff			
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40	Final preparation with billing systems, tariffs and notification.			
41	<b>Assessment is billed on all billing cycles from this point forward</b>			

**NOTES:**

- Provides 10 days from date of order to prepare and file tariffs
- Provides 30 days from date of order for billing revisions required to accommodate notification
- Total of 41 days provided between order and assessment date