



Missouri Universal Service Fund Board

John Coffman, Chair
Robert M. Clayton, III, Secretary
Linward Appling
Jeff Davis
Steve Gaw
Connie Murray

Ladies and Gentlemen,

On behalf of the Missouri Universal Service Fund Board we are pleased to announce the commencement of activities that will establish the operation of Missouri's Universal Service Fund for low income and disabled telecommunications consumers. In March 2002 the Missouri Public Service Commission issued an order establishing the Universal Service Fund for low income consumers and disabled individuals. That order adopted the low income and disabled proposal as agreed to by the Missouri telecommunications industry, the Missouri Public Service Commission staff, and the Public Counsel. The rules governing this fund are found in the Missouri Code of State Regulations at 4 CSR 240-31.

The Missouri Universal Service Fund Board, with input from other agencies, has selected QSI Consulting to administer the Missouri Universal Service Fund. QSI is tasked with a number of objectives that include but are not limited to: [1] determining the initial size of the fund; [2] collecting data on intrastate jurisdictional revenues from telecommunications carriers and developing an assessment percentage based on that information; [3] assessing and collecting payments into the Missouri Universal Service Fund; [4] making appropriate disbursements to eligible carriers; [5] performing auditing functions with regard to customer eligibility; and [6] maintaining detailed reporting with the Missouri Universal Service Fund Board as to all activities associated with the fund. The Missouri Universal Service Fund Board would ask that you maintain close contact with QSI and provide them with your complete cooperation as we move forward in establishing and operating this worthwhile new program.

Key Target Dates

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| October 26, 2004 | Meeting in Jefferson City for telecommunications industry personnel to discuss issues pertinent to the Missouri Universal Service Fund. Please see blue insert containing the agenda. |
| January 2005 | Assessment percentage determined and surcharges on customer bills begin. |
| February 2005 | Disbursements from Missouri Universal Service Fund to eligible carriers begin. |

Along with this letter we have included a yellow insert which is a data collection form that Missouri telecommunications carriers must complete. We would appreciate your prompt attention in completing and returning this form to the Missouri Universal Service Fund Administrator. The data collected will be treated confidentially and will be used only for purposes of operating the Missouri Universal Service Fund.

As noted above, by January 2005 the Missouri Universal Service Fund administrator will determine an assessment percentage. At that time all telecommunications carriers in Missouri shall implement a surcharge on customer bills. We recognize that this surcharge will necessitate changes to company billing systems. As such we strongly encourage all telecommunications carriers to immediately begin making necessary billing system changes such that the systems are fully tested and ready for implementation on January 1, 2005.

We also recognize that there will be many questions generated as we proceed with the Missouri Universal Service Fund. As questions arise, please contact Peter Gose of QSI Consulting at (816) 801-8145. You may contact Mr. Gose by e-mail at MoUSF@QSIConsulting.com

Once again, on behalf of the Missouri Universal Service Fund Board, we express our anticipation in seeing the Missouri Universal Service Fund become a reality. We thank you in advance for your courtesy and cooperation as we work together to establish this worthwhile fund for the citizens of the State of Missouri.

Sincerely,



John Coffman
Public Counsel
Chair, Missouri Universal Service Fund Board



Robert M. Clayton, III
Commissioner, Missouri Public Service Commission
Secretary, Missouri Universal Service Fund Board